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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

#### Desai deputy seeks his job

Mr. Charan Singh, India's Deputy Prime Minister, resigned from the Cabinet and later claimed he could succeed outgoing Premier Morarji Desai after securing the leadership of the newly-formed Janata (S) Party.

Senior members of the Janata (S) are thought to have received assurances of support from several other parties, including the official Congress opposition led by Mr. Y. B. Chavan.

The other main contender for the leadership, Mr. Jagjivan Ram, Deputy Premier and Defence Minister, was also busy rallying support from within what was left of the ruling Janata Party. Back Page

#### President quits

Ahmed Hassan Al-Baker, the soldier President who has led Iraq since 1968, resigned and was succeeded by Saddam Hussein, Vice-Chairman of the Revolutionary Command Council.

#### Lebanon Cabinet

Lebanon's Prime Minister Selim Al Hoss formed a new 12-man Cabinet and said he would try anew to stabilise post-civil war Lebanon.

#### Sadat plea

President Anwar Sadat of Egypt is to make a personal plea for support for his peace treaty with Israel during the Organisation of African Unity's Heads of State meeting, which opens in the Liberian capital of Monrovia today. Page 3

#### Drugs appeal

Ugandan Health Minister Arnold Bwalya asked for foreign exchange to buy drugs which have run so short that doctors have stopped giving prescriptions and dentists are pulling teeth without any anaesthetic.

#### Beat suicides

Six Vietnamese refugees committed suicide and seven others died of hunger while crossing the South China Sea in a boat with 28 others to the Philippines.

#### Iran resignation

Iran's Defence Minister Taqi Rahimi tendered his resignation as his chief critic in the army, military police commander General Saif Amir Rahimi, accused the Government of not taking a strong enough stand against violence in ethnic regions. Page 3

#### Anthony weak

Bone marrow boy Anthony Nolan has suffered two setbacks—failure of treatment to make his uncle a suitable donor and a severe haemorrhage—and his appeal organisers say he is very weak.

#### England win

England beat India by an innings and 83 runs on the fourth day of the first Cornhill Test at Edgbaston. The Indians were all out for 252 in their second innings following a first innings 297 in reply to England's 633.

#### Briefly...

Soviet Union is believed to have carried out an underground nuclear test north of the Caspian Sea.  
 British Airways and Iberia, the Spanish airline, are to cut fares by up to 40 per cent this winter. Page 7  
 South African police probing the disappearance of enough sodium cyanide to kill 10,000 believe it was washed into the Indian Ocean.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Exch. 3pe 1981	£89 1/2 + 1	Provident Financial	93 + 5
Exch. 12pe 1981	£95 1/2 + 1	Rye Hides	166 + 5
Bank Org.	222 + 11	Robertson Foods	153 + 6
Amal. Dist. Prods.	80 + 5	Robertson Foods	153 + 6
Brent Walker	86 + 5	Rosen	54 + 4
British Land	75 + 3	Sylone	195 + 6
Brown and Jackson	275 + 15	Town and City	201 + 2
Burnett Haire	415 + 28	Tricoville	76 + 4
Caplan Profile	192 + 7	Wallis	72 + 4
Courtaulds	88 + 3	Oil Exploration	340 + 18
Croub (D.)	170 + 18	Minicorp	104 + 10
Decca A	340 + 10	UC Investments	240 + 10
Electronic Rentals	191 + 8	West Road Cons.	152 + 15
Flight Refuelling	212 + 14		
GE	355 + 7		
Heron Motor	55 + 4		
Hunting Gibsons	275 + 15		
Inp. Comm. Gas	2598 + 8	Alexanders Discount	250 - 5
Lloyds Bank	347 + 11	Eurathem Int.	24300 - 134
Matthews (B.I.)	248 + 13	Jacksons Bourne E.	145 - 15
NatWest	370 + 12	Ladbroke	175 - 14
Peters Stores	64 + 8	Vinten	152 - 17

### BUSINESS

#### Gold up \$4 1/2; Equities firmer

GOLD rose \$4 1/2 an ounce in London on doubts over President Carter's energy measures, to close at a record \$292 1/2.



EQUITIES rose on June trade figures and the FT 30-share index closed 4.1 up at 470.7 (469.8) in spite of the later announcement of a June current account deficit.

GILTS followed equities with gains of up to a point on some shorts and the Government Securities Index closed 0.10 up at 72.44.

STERLING rose 1.3c to close at \$2.2420, and its trade-weighted index was 71.3 (71.9). DOLLARS index fell to 34.3 (34.6).

WALL STREET was up 0.69 at 334.22 before the close.

BRITAIN gave up its claim that it should be entitled automatically to 10% subordinated loans from the EEC if it became a full member of the EMS as the Government decided to renew pressures for a reduction in the country's contribution to the EEC budget. Back Page and Page 8

SIR KEITH JOSEPH, Industry Secretary, postponed until today his statement on regional aid to industry, following the intervention of the Prime Minister. Page 8

THREE DIRECTORS of Brentnall Board, the Lloyd's of London publicly quoted insurance broker, have been suspended from all executive duties throughout the group. Back Page

BRITISH PETROLEUM was the UK's largest exporter in 1978. Among non-oil companies, BCL retained its place ahead of ICI and Ford. Page 4

PHILIPS of Holland announced a £247m offer for the 39 per cent shareholding in Pye which it does not already own. Back Page and Lex

FUTURE PRICES of all base metals fell on the London Metal Exchange, dragged downwards by fears of recession in the U.S., the seasonal lack of demand from industry and the decline in lead quotations. Page 27

UNIONS AT the Corby steel-works plan to put themselves on a war footing to fight the proposed British Steel Corporation closure. Page 8

GOODYEAR'S UK subsidiary reports a record pre-tax loss of £21.4m in 1978. Back Page

RANK ORGANISATION reports pre-tax profits up from £37.36m to £64.41m in the 28 weeks ended May 12. Page 18 and Lex

LRC INTERNATIONAL pushed sales up 6 per cent from £63.2m to £68.9m in the year ended March 31. Pre-tax profits were down 11.8 per cent from £6.67m to £5.83m. Page 18

## Carter puts \$140bn plan to cut U.S. oil imports

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

President Carter, adopting a new, hard-hitting style of leadership, proposed yesterday that the windfall profits tax on the oil industry be used to finance an ambitious \$140bn energy programme to reduce substantially U.S. dependence on foreign oil.

His multi-pronged package, which sets a goal of cutting oil imports by 4.5m barrels a day below what they otherwise would be by the year 1990, includes a commitment to use quotas to ensure that U.S. oil imports never again exceed their 1977 level of 8.5m b/d.

He provided the details of his programme in a rousing speech to a local government conference in Kansas City, the follow-up to his extraordinary Sunday night nationally-televised address in which he admitted past failures of leadership and invoked renewal of the old American spirit of unity to break "the crisis of confidence" now affecting the country.

Even Mr. Carter's strongest critics conceded yesterday that he had perhaps given the most effective address of his Presidency. But it was generally agreed that if he failed to follow through with consistent advocacy of specific policies, such benefits as may be gained on Sunday night would be quickly dissipated and his Presidency and political future

in as much trouble as before. The package that he unveiled to Kansas City consists essentially of an amalgam of the new and the old, plus some items already before the legislature. What he did not propose was either a lifting of current controls over domestic energy prices or an acceleration of the

Synthetic fuel options. Page 3  
 Carter talks tough. Page 16  
 Editorial comment. Page 16

policy of phasing out such curbs over a protracted period. The major points of the programme are as follows: Creation of an energy security corporation to direct development of 2.3m barrels a day of oil substitutes (that is synthetics) from coal liquids and gases, oil shale, biomass and unconventional gas by 1990. Biomass is such things as vegetable sugar, alcohol and woodchips. Establishment of an energy mobilisation Board empowered to cut through bureaucratic red tape to expedite construction of critical

energy facilities. New incentives including lifting of price controls in some minor sectors, for development of heavy oil, unconventional gas and shale. Requiring utilities to cut present oil consumption by 50 per cent by 1990, saving 750,000 b/d. Establishing a major residential and commercial conservation programme designed to save 500,000 b/d by the end of the next decade.

A \$2.4bn-year low-income assistance scheme to insulate the poorest Americans from impact of higher energy costs. Provide \$16.5bn in the next decade to improve public transport and car fuel efficiency.

The Administration estimates that its existing policies and proposals would save 4m b/d in the next 10 years and that the new initiatives would have a further 4.5m b/d.

The major item of Government expenditure is to be the estimated \$88bn to finance the energy security corporation. Confined on Back Page

## Foreign exchange markets unmoved

By Peter Riddell in London and John Wyles in New York

PRESIDENT CARTER'S speech failed to impress the foreign exchange markets yesterday. The dollar declined against most leading currencies in nervous though generally thin trading.

Dealers in Europe said the speech made little difference to the short-term prospects of the U.S. economy. There appeared a reluctance to take up new trading positions for or against the dollar, and any selling was on a limited scale.

The dollar slipped to its lowest level against the D-mark for more than six months, though there was no significant intervention by the Bundesbank. The U.S. currency closed at DM 1.82, compared with DM 1.8245 on Friday.

The dollar's trade-weighted index, as calculated by the Bank of England, fell by 0.3 points to 84.3, a decline of 3.2 per cent in six weeks.

The weakness of the dollar boosted sterling, which rose 1.3 cents yesterday to \$2.2420, its highest closing level since June 1975.

Any significant weakening in the dollar in the coming weeks could be the catalyst for fresh moves to tighten credit according to many New York analysts.

The Federal Reserve Board's continued commitment to a 10 1/2 per cent target for the Federal Funds rate—four overnight loans between banks—is causing concern on Wall Street in view of the outlook for inflation and the recent surge in monetary growth.

For the moment the Fed appears to be subordinating achievement of its monetary growth targets to its desire not to exacerbate the current economic slowdown in the U.S.

This is generally seen as the meaning of the latest report of the Fed's Open Market Committee. On May 22, the committee voted to raise the Funds rate if monetary growth exceeds the upper limits of staff projections. On June 15, however, the committee voted on the recommendation of Mr. G. William Miller, the Fed chairman, not to change the Funds rate in spite of monetary growth in the May-June period which was the meaning of the latest report of the upper limits of the ranges specified by the committee.

The decision was justified "in view of many indications of weakening economic activity," according to the Fed's report.

## Big deficit in current account

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN HAS a very large underlying deficit on the current account of its balance of payments in spite of the rapid build-up of North Sea oil output. This is the result of a sharp increase in imports, particularly of machinery and cars, coupled with a slight fall in exports.

The trend is obscured by big month-to-month fluctuations in the published figures caused by the continuing impact of the Civil Service industrial dispute on the flow of information.

The Department of Trade yesterday announced a current account surplus of £61m for June, compared with a deficit of £75m in the previous month. But after allowing for the distortion, the department estimates that the current account deficit was between £300m to £400m last month, somewhat less than in May.

Over the first half of this year as a whole the published figures indicate a current deficit of £1.02bn. But imports amount-

ing to £900m may not have been recorded in this period and will show up in the trade figures over the next few months.

Consequently, the underlying deficit may have been around £1.9bn in the first half of the year, compared with a surplus of £604m in the second half of 1978. Most of the deterioration was in visible trade but the invisibles surplus dropped by £288m, partly as a result of higher net contributions to the EEC.

The large current account deficit has been offset by big capital inflows, attracted by Britain's favoured position as an oil producer at a time of sharply rising crude oil prices and by high UK interest rates. This has been reflected in the steady rise in sterling this year.

The deterioration in the current account to a published deficit of £1bn has been larger than forecast by the Treasury a month ago when a deficit of £750m was projected for the first half of the year with rough balance in the second half.

The position would have been much worse, but for a sharp decline in the visible oil deficit—down from a quarterly average of nearly £504m in 1978 to £223m a quarter so far this year.

After adjusting for various distortions, imports rose

	Visible trade		Current account
	Exports	Imports	
1978 1st	-596	+227	-369
2nd	-173	+281	+108
3rd	367	+221	+146
4th	-39	+489	+450
1979 1st	-181	+394	-213
2nd	-561	+330	-231
3rd	-126	+132	+6
4th	-766	+131	-635
May	-289	+131	-158
June	-327	+110*	-217*
July	185	+110*	+75*
June	49	+119*	+61*

\* provisional  
 Source: Department of Trade

by 15 per cent in value—or around 12 per cent in volume—in the first half of this year compared with the second half of 1978. The Department of Trade describes this rise as "erratically large."

The increase can be explained partly by the pre-Budget consumer boom. There was, for instance, a 40 per cent rise in the volume of imports of road vehicles over the half-year and a 15 per cent increase in the volume of total manufactured imports. But these rises are before allowing for under-recording due to the Civil Service dispute. Over all there has undoubtedly been a further rise in the underlying share of the home market taken by imports.

Export volume fell by 2 per cent in the first half of 1979 compared with the previous six months with no net distortions. In particular, there was a sharp drop—roughly £100m a month—due to Iran and Nigeria in the first half.

After excluding this fall, the volume of exports rose by between 1 and 2 per cent in the half-year compared with a 3 per cent increase in the previous six months. But even this rise owes a lot to higher oil exports and sales of a wide range of manufactured goods fell during the first half of this year.

There has been a recovery in total exports in the last couple of months after the poor first quarter performance. But there may have been a permanent loss of some exports and growth may be only a slow rate of growth from now onwards.

The expansion of Britain's main export markets is likely to slacken from the autumn onwards and the erosion of the UK's competitive position in the last couple of years is likely to have a growing impact.

## TUC fears union reform may end right to strike

BY CHRISTIAN TYLER, LABOUR EDITOR

GOVERNMENT plans for trade union reform include a proposal that could virtually remove the right to strike from workers in Britain, according to the TUC.

After careful study of the working papers published by the Government last week, union leaders now believe that almost any strike or industrial action against an employer—especially in the trading sector—could render trade unions vulnerable to court injunctions and claims for damages.

The Government has suggested that it may limit trade union immunity from court action, ostensibly to curb not only "secondary" picketing but other kinds of indirect or sympathetic action including blockades of goods.

But the TUC's employment policy and organisation committee, meeting tomorrow, is expected to take the view that if this plan were acted on it would remove virtually all legal protection for workers involved directly, or indirectly in trade disputes.

That view will be put to the TUC general council next week

as the centrepiece of a campaign within the labour movement of resistance to the changes, and also to Mr. James Prior, Employment Secretary, assuming that the TUC agrees to continue the consultations he has set in motion.

The Government is likely to challenge the TUC's interpretation of its suggested amendment in labour law. But an official insisted last night that the consultations were genuine and that if the TUC could demonstrate that far-reaching consequences would follow this change, the Government was open to persuasion.

The argument centres on the Government suggestion that trade union immunity from actions in tort should not apply when breaches of commercial contract had been introduced. The Government would like to revert to the formula that protects only breaches of employment contracts.

This was the position established by the 1906 Trade Disputes Act. But, according to the TUC, unions' liability for

breaches of commercial contract was "discovered" by the courts in the 1960s (particularly in the case of *Strafford v. Liddle* in 1965). The Labour Government tried to change the wording in 1974 but was defeated by the Opposition. It eventually did so in 1976 with the Trade Union and Labour Relations (Amendment) Act.

If the wording is changed back, the TUC says, any customer or supplier of a company as well as the employer himself could bring an action against a union in dispute.

There was little public fuss when the limited immunity clause appeared in 1974; most of the debate at that time was about the closed shop and the freedom of the press.

From tomorrow, however, the TUC is likely to start a major public campaign, using this point to spearhead its resistance to the rest of the Government's proposals on picketing, the closed shop and the public financing of secret trade union ballots.

## Ladbroke loses casino hearing

BY JAMES BARTHOLOMEW

LADBROKE GROUP, the biggest casino operator in the UK, yesterday had its application for the renewal of four London casino licences refused by South Westminster Licensing magistrates.

Ladbroke said last night that it would immediately lodge an appeal. This will probably not be heard for several months and the casinos will be allowed to operate in the meantime.

If the decision is not overturned it will be a heavy blow to Ladbroke, which received over half its £41m pre-tax profit last year from the casino division.

Ladbroke shares fell to 175p in after hours dealings yesterday after being 202p earlier in the day.

The casino industry will now be in considerable disarray as other groups such as Coral Leisure, Playboy and Mecca try to pick up the licences which Ladbroke has lost. The Ladbroke casinos in question are in Mayfair. One of them, the Ladbroke Club, is thought to be the single most profitable casino in the country.

The grounds of the refusal were that the Ladbroke subsidiaries "are not fit and proper persons to be holders of gaming licences."

The police had given several grounds for their objection to renewal of the licences. They alleged that registration numbers of prestige cars outside rival casinos had been noted and that their owners had been traced through the corruption of a police officer with access to the police computer.

They also said that hotel staff had been paid to send visitors to Ladbroke casinos, that non-members had been approached and allowed to game and that Mr. Michael Lavelle, who introduced several guests to Ladbroke clubs, had been allowed a discount on his losses.

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What every lift truck owner dreads...

## The £10,000 spare part



EUROPEAN NEWS

OUTLINE AGREEMENT SIGNED ON 3-YEAR PRIVATE SECTOR PACKAGE

Italian metal workers win new contract

BY RUPERT CORNWELL IN ROME

AFTER SIX months of arduous negotiations, union leaders and employers' representatives yesterday reached outline agreement on a new three-year labour contract for Italy's 1.2m metal and engineering workers in the private sector.

The deal, initiated at the Labour Ministry here after a final 12 days of almost uninterrupted discussion, may well have a greater impact on the national economy—OPEC oil price increases excepted—than any other single event this year.

The package now goes forward for shop-floor approval in the companies concerned. Separate arrangements covering the country's 300,000 State sector metalworkers, held up at the last minute, are expected to be ratified shortly.

Employees in the sector, which embraces private groups such as Fiat and Olivetti, and publicly-owned concerns such as Alfa Romeo, have won substantial pay increases over the life of the contract till 1981, a greater say in company planning, and significant cuts in their working week.

Under the "scala mobile" system of wage indexation to retail prices. They will also be paid, in two instalments, about L120,000 back-pay, covering the period from January 1 this year, when the new contract was supposed to have become operative.

Court to reopen Herstatt inquiry

By Jonathan Carr in Bonn

AN IMPORTANT judgment by the Federal Court of Justice has given new hope to a group of former customers of Bankhaus I. D. Herstatt, the Cologne-based bank which collapsed in June 1974.

Irish GNP 'will increase only 2% this year'

BY STEWART DALRY IN DUBLIN

THE GLOOMIEST forecast yet of Ireland's immediate economic prospects has been given by Dublin's Economic and Social Research Institute, one of Ireland's most highly regarded non-governmental forecasting bodies.

The extra ERM spent on oil will cause the balance of payments deficit this year to rise to at least £500m. The Institute reckons inflation will be 13 per cent for the year ending in November. This forecast coincides with one from the OECD which says that Ireland is now competing with Italy for the title of the most inflationary country in the EEC during the past six months.

Tough Christian Democrat line

BY OUR ROME STAFF

TOUGH CONDITIONS laid down by the long-ruling Christian Democrats as the price for their co-operation have clearly emerged as the main obstacle to the bid by Sig. Bettino Craxi, the Socialist leader, to form a new Italian government.

Their own ranks, the Christian Democrats at the weekend outlined three main conditions on which the largest single party would accept serving in government under a Socialist. Although the current round of talks is formally about the programme for a new government, it is on this basis that the argument is proceeding.

Communist support at any time. Thirdly, they must pull out of regional and local governments (where numerically possible) where they are in alliance with the Communists.



Outgoing Premier Giulio Andreotti (left) and PM-designate Bettino Craxi sit in church at the funeral of the Carabinieri commander killed by terrorists

Austria stops fall in reserves

By Paul Lendvai in Vienna

AUSTRIA HAS stopped the temporary drain on its foreign exchange reserves and with the lowest inflation rate in western Europe, the monetary authorities expect a manageable current account deficit this year.

Fringe groups demonstrate their discontent

BY ELINOR GOODMAN

A STRASBOURG FRINGE looks like springing up around the European Parliament, consisting mainly of people who were not elected but think they should have been.

intended to convey the idea of a group arriving in Strasbourg as a united force. In fact, most of them were in the city yesterday when they gave a press

met at the station they will lead what they hope will be a crowd of more than 1,000 supporters, waving flags and chanting slogans, to the Parliament.

Russell Johnson, MP for forestry, was to have arrived yesterday but his departure from London was postponed, partly to allow Mr Johnson to speak at Westminster and partly, it is said, to give Mr David Steel, the Liberal leader, the opportunity to wave the group a public goodbye.



Logo of the European Parliament

Adding to the throng outside the Strasbourg Parliament, the European Federalist Movement, which has been campaigning for closer links within Europe since the end of the war, is due to stage a further demonstration. Their supporters will also be waving flags and the signs were yesterday that they would be identical to the flags being waved by the discontented Ecologists.

The OECD made the estimate in its annual report on the German economy, published last week.

Investment forecast to increase 2% in France

BY TERRY DODSWORTH IN PARIS

LITTLE HOPE of a significant rise in industrial investment in France is held out by INSEE, the national Statistical Office, for either this year or next.

With a sense of timing which would seem to testify more to the virtues of healthy ecological living than an appreciation of life like styles, the Ecologists, with like-minded independent MPs, have invited all the 400 reporters assembled in Strasbourg to a Press conference at 8 am today in the waiting room of Strasbourg station.

Half-a-dozen elected MPs — most of them members of the group formed last week to represent the interests of independent members in the Parliament — will link arms with a group of candidates who stood on the "green list" in various countries but failed to be elected because of what they regard as the unfairness of the electoral system.

Both the EPD and the group formed last week to represent the independents could be threatened with extinction if a proposed change in the minimum group size is approved by MPs this week. The signs are, however, that the leaders of the established groups would not agree to such a change if it meant any existing group being broken up.

The OECD made the estimate in its annual report on the German economy, published last week.

Ewing joins up with Gaullists

BY OUR STRASBOURG CORRESPONDENT

BRITAIN'S LONE Scottish Nationalist member at the European Parliament is to join forces with the Gaullists in an attempt to increase her strength. Mrs. Winifred Ewing, (SNP), who was one of a handful of members in the old European Parliament not to join any of the six political groups, has decided to join the European Progressive Democrats (EPD) in the new assembly.

the number of MPs in the European Parliament has increased to 410, independent members will no longer get the opportunity to speak which they received in the smaller assembly.

Last week she was asked to join the new group specially formed to defend the interests of independent members. She rejected this, however, on the grounds that the European Progressive Democrats, which are dominated by the French Gaullists, look like being a more

effective force in the Parliament. Yesterday she said that the EPD had promised to support her fight for the regions.

Both the EPD and the group formed last week to represent the independents could be threatened with extinction if a proposed change in the minimum group size is approved by MPs this week. The signs are, however, that the leaders of the established groups would not agree to such a change if it meant any existing group being broken up.

Eanes is taking a big gamble by dissolving Parliament, writes Jimmy Burns

BY CHOOSING last Friday to dissolve Parliament rather than to impose a new Government, General Antonio Ramalho Eanes, the Portuguese President, has taken what is perhaps the riskiest gamble of his political and military life.



President Antonio Ramalho Eanes yesterday began his search for a caretaker Prime Minister to prepare interim elections in the autumn and to conduct essential state affairs, writes Jimmy Burns in Lisbon.

The general election expected in October could clarify the political confusion which has wracked Portugal following the failure of successive Governments to provide stability. But an autumn poll could also result in a stalemate which this weak young democracy would find difficult to sustain.

It is because of the risks involved that President Eanes has taken such a tortuously long time to reach a decision. Portugal has been in a state of government crisis ever since Dr. Mario Soares' minority Socialist administration collapsed at the end of 1977.

By the terms of the Portuguese constitution the next full legislative term cannot begin until a general election is held in 1980, even if Parliament is dissolved in the meantime.

Swiss trade gap

The Swiss trade gap widened to SwFr1.58bn (£430m) for the first half of this year—92.4 per cent higher than the deficit for the same period last year. John Wicks reports from Zurich.

and next result between the combined votes of the Left (Socialists and Communists) and those of the right wing.

Consumer goods companies are likely to spend about 9 per cent more.

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The President, pictured above presiding to the nation on Friday, said he would not dissolve the Portuguese Parliament officially until the political parties had given their approval to the new administration.

Although he has expressed confidence that no obstacle

The politicians have failed to

are to face four elections in less than two years: two general elections, one municipal, and one Presidential.

Higher oil prices force Sweden to borrow more

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDEN MUST borrow at least SKr 2bn (£212m) more abroad as a result of the oil price increases, according to Mr Ingemar Mundebo, the Budget and Economy Minister. Earlier estimates had been that Swedish public sector borrowers would raise abroad about SKr 9bn this year, around the same as in 1977.

Mr. Mundebo urged Sweden to accept lower social security payments.

the capital-goods industry which will be spending about 15 per cent more this year than last, including inflation.

President Eanes has specified that the autumn poll will be an interim one. Thus, the Portuguese people are to face four votes in less than two years: two general elections, one municipal, and one presidential.

are to face four elections in less than two years: two general elections, one municipal, and one Presidential.

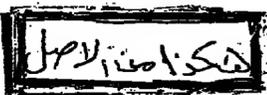
The dangers are all too apparent. First, the politicians may use this period as a simple exercise in electioneering and ignore the pressing economic problems facing the country.

The "unpopular" nature of these decisions would make it tempting for whichever government emerges from the October election to stall rather than risk losing the "big one" in 1980.

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are to face four elections in less than two years: two general elections, one municipal, and one Presidential.



S. African amnesty for illegal workers

THOUSANDS of black workers working illegally in urban areas in South Africa... The Government announced... Enforcement of a drastic increase in the fines payable by employers...

The complexities of multiple government in Iran are examined by Andrew Whitley in Tehran. Decision-making in the Ayatollah's republic

DESPITE the tales of bottle smashing in Iran, some passengers travelling on an Iran Air jumbo jet... Mr. Hashemi Sabagban, the Deputy Prime Minister for Transitional Affairs...

for implementation. As often as not, such orders are issued through handwritten letters conveyed the 90 miles to Tehran by courier... Mr. Hashemi Sabagban, the Deputy Prime Minister for Transitional Affairs...

As for the committees responsible for local security and general defence of the revolution, the Prime Minister's repeated attempts to secure their abolition or neutralisation under the Government have met with no success...

At 79, Ayatollah Khomeini remains in good health though the danger of martyrdom, which he says he looks forward to, is ever-present... Beneath him is an influential group of perhaps 20 or 30 clergy men...

Paralleling the Council, and overlapping to some extent, are the revolutionary courts (to whose headship the controversial religious judge, Sadegh Khalkhal, publicly laid claim)... The armed forces are being put back together again as conventional fighting units with traditional discipline...

heads are preoccupied with internal power struggles within their committees... Professional insecurity within the provisional administration, as well as a revolt which many fear is not yet completely over...

Sadat to make OAU plea in person

By Mark Webster in Monrovia. PRESIDENT ANWAR SADAT of Egypt faces an uphill battle to win support from African countries for his peace treaty with Israel during the Organisation of African Unity's Heads of State meeting which opens in the Liberian capital, Monrovia today...

Defence Minister submits his resignation

TEHRAN — Brig-Gen. Taqi Rahimi, Iran's Defence Minister, submitted his resignation yesterday after a row over his dismissal of the country's hardline military police chief...

confirmed in his post by Ayatollah Khomeini. Gen. Rahimi yesterday asked to be given command of Iran's entire western front, where fresh violence has flared among the minority Arab population...

southern oil province of Khuzestan, he added. On Sunday, a grenade was thrown into a mosque in the province, killing seven Government supporters and injuring 60...

Gen. Rahimi said he would impose law and order in Khuzestan Province, "based on the principles of discipline and freedom." "Demonstrations would be free, throwing band grenades would not," he said.

In despair, the Governor-General then went to see Ayatollah Khomeini to Qom, who dispatched a personal envoy to sort out the problem. The envoy recommended a compromise, but the local senior cleric refused to give his agreement...

Fair's Fair

The Institution of Professional Civil Servants is in dispute with the Civil Service Department over pay - or, rather, over the principles upon which rates of pay are agreed.

The Institution's members in the Professional and Technology grades are being invited to accept a change in criteria which will lead to an effective cut in their relative salaries and a real reduction in their standard of living. This is unfair.

The following information is intended to explain why the Institution, its National Executive Committee, and its members feel it right to resist this unfairness by every legitimate means.

Who is affected?

About 65,000 civil servants whose training, experience and qualifications in work of great value to the nation have, for a number of years, been rewarded on the basis of pay principles of considerable simplicity (as we shall explain below)...

What were the principles up to now?

Very simple in essence. Comparison with similar jobs in private industry is the agreed method of settling the pay of most civil servants. So our members' work was compared with that of similar staff in seventy-five organisations outside the Civil Service...

This is conventionally used in most Civil Service pay settlements. However, because of the special nature of our members work it has always been accepted that they deserved "pay somewhat above the average" (to quote the Report of the Royal Commission on the Civil Service)...

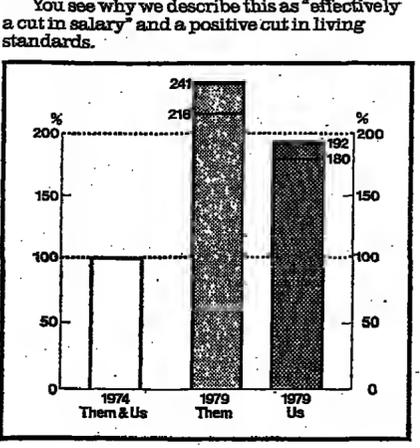
Table showing pay agreements and arbitration awards from 1965 to 1975, comparing medians with various percentages (+11% to +20%).

You will immediately conclude that, obviously, there must be a reason. But the Institution of Professional Civil Servants cannot imagine what it can be; nothing has changed since previous settlements. And the Civil Service Department won't tell us. Perhaps they can't imagine what it could be either!

What do the figures really mean?

The easiest way to show why our members are so upset is to compare the 1979 offer with the salaries of those who are used as comparisons outside the Civil Service.

The 1974 salaries of those outside the Civil Service and those inside are represented by the 100% bar in the left hand column of the chart. That is the year of the Civil Service Arbitration Award. In 1979, those outside the Civil Service are being paid between 216% and 241% of their 1974 salaries...



Why not arbitrate?

A natural question - especially in view of the fairness of the 1974 award. But arbitration is only right when the processes of negotiation are exhausted. The Civil Service Department will not even start negotiations on the issues in dispute.

What should be done?

There is a simple way to bring the dispute to an end. The Institution is very ready to accept that an independent conciliator should bring the two parties together and assist them towards a solution. Isn't that a responsible attitude and shouldn't the Government respond?

You may now see why our members feel that they have been attacked by their employers and therefore have to defend themselves against what by any standards is unfair treatment. But the Civil Service Department is not really our employer - the Government is! And it represents the whole nation. It represents you.

Do YOU want a fair settlement?

Further information from The Institution of Professional Civil Servants, Northumberland Street, London WC2N 5BS.



AMERICAN NEWS

WORLD TRADE NEWS

Carter sets saving target: 4.5m barrels of oil a day

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER has taken two immediate steps—imposing quotas on oil imports and taking controls over the price of so-called "heavy" oil—and has outlined a range of longer term measures...

As an immediate start, the President has set a quota of 8.2m b/d on oil imports for 1979, a step that he can take on his own under a 1953 law...

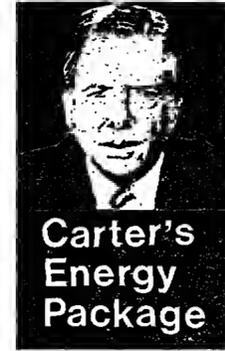
will be announced year by year, and 1980's has not yet been worked out. The immediate impact of the quota will not be severe because it roughly matches the average level of imports so far this year...

Japan concern at plan's impact

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

APART from giving President Carter's new energy saving programme a warm official welcome, Japan appeared yesterday to be preoccupied with the impact which the Carter plan might have on its own position as an oil importer.

Japan is the world's second largest importer of oil after the U.S., with an average of 5.4m barrels a day expected in 1979 against the U.S. figure of 8.5m barrels. Halving U.S. imports by the end of the 1980s might mean that Japan would become the world's biggest importer...



Carter's Energy Package

Europeans welcome proposals

By Roger Boyes in Bonn

THE WEST GERMAN Government, welcoming President Carter's energy statement yesterday, expressed the hope that Congress would approve the proposed programme of import quotas, research and conservation.

Some sceptics in London

BY RAY DAFTER, ENERGY EDITOR

BRITISH Prime Minister Mrs. Margaret Thatcher is expected to lend her support to President Carter's energy plans when she reports to Parliament today.

instance, it was felt that the programme for developing solar energy was far too ambitious. Similarly, the proposals for synthetic fuel production may be difficult to attain, bearing in mind the long lead times involved and the environmental constraints.

Moderates in Sandinista cabinet

BY HUGH O'SHAUGHNESSY

A BROADLY-BASED and politically moderate cabinet has been named by the five-person provisional government council of Nicaragua amid reports that General Anastasio Somoza is to leave the country today.

Guard who sought to overthrow the Somoza regime last year, and later fled Nicaragua. The provisional governor of the central bank has been named as Sr. Arturo Cruz, an economist who was till last month working at the Inter-American Development Bank in Washington.

counter-accusations from official and private sectors in the U.S. and elsewhere that the anti-Somoza movement is in the hands of "extremists". Some of the appointments have not been divulged for fear of reprisals against appointees in Government-controlled areas.

Dowty in India aero supply deal

THE Dowty Group has negotiated a multi-million pounds agreement with Hindustan Aeronautics of India, for the supply and licence-manufacture of a range of Dowty airframe and engine equipment items for the Jaguar combat aircraft for the Indian Air Force...

Meanwhile Singapore Airlines has signed a \$50m loan agreement with a syndicate of banks led by Morgan Grenfell, the Royal Bank of Canada and the Scandinavian Bank. The loan is Singapore Airlines' first approach to the syndicated Eurodollar loan market.

£10m GEC contract

GEC Gas Turbines has been awarded a turnkey contract, including all civil works, worth about £10m to supply a gas turbine generating plant to the Public Power company of Athens for installation at the Lavrion power station situated 40 miles from Athens. The plant consists of two GEC EM610 heavy duty industrial gas turbine generating sets and all associated auxiliaries equipment...

Romanian credit

Morgan Grenfell has signed two U.S. dollar buyer credits, each of which is the first dollar buyer credit in the country concerned. A loan of \$2.4m has been made available to the Romanian Bank for Foreign Trade to help finance a contract worth \$2.9m between Motherwell Bridge Engineering and LSCC Romania. A loan of \$3.5m in Oman will help finance a contract between the Ministry of Electricity and Water in Oman and Mirreless Blackstone of Stockholm. Both loans are guaranteed by the Export Credits Guarantee Department.

Brazil loan

The Ex-Im Bank has tentatively approved a \$24m loan and a guarantee covering \$12m in private credits towards Brazil's first nuclear power plant, AP-07 reports from Washington. The agency has since late 1971 approved \$110m in direct loans and guarantees for about \$75m in private credits for the construction of the Angra dos Reis nuclear power plant on the Brazilian coast between Rio de Janeiro and Sao Paulo. The additional financing was necessary because costs of the project had gone up.

Paper machine to S.A.

Mondi Paper has awarded a contract to Beloit Walmesley of Lancashire, valued at \$20m, to supply a newsprint machine to be installed at Mondi's Merabank Mill in Durban, South Africa. This machine will be the fourth to be installed since commencement of operations in 1971, all of which have been supplied by Beloit Walmesley. Mondi is the principal supplier of newsprint to the South African market.

UK yarn to USSR

British Celanese, a Courtauld's subsidiary, has obtained an order from the Soviet Union for £5.5m worth of yarn. The company announced that the material will be manufactured at its plants near Derby and Coventry. It is the company's biggest order from the Soviet Union in 26 years' trading.

BRITAIN'S LEADING EXPORTERS

BP leads, BL and GEC move ahead

BY GEOFFREY OWEN

BRITISH PETROLEUM was again the UK's largest exporter in 1978. Among non-oil companies BL regained what it regards as its rightful place ahead of ICI and Ford.

This is the seventh year in which the Financial Times has published its annual league table of exporters. It is striking that virtually all the companies which figured in the 1972 list (which contained only 75 companies) have retained their positions; most of them are ranked in 1978 within a few places of their 1972 ranking.

The list is based on figures for direct exports of manufactured goods, as published in annual reports or obtained direct from companies. Except where otherwise stated, the figures relate to the financial year which ended in 1978. It should be borne in mind that a company's exports, especially in capital goods, may fluctuate from year to year because of the timing of contract completions.

The figures given in the table do not give a full picture of a company's contribution to the balance of payments. Not only are imports not taken into account, but the figures also exclude other forms of overseas income, such as royalties and licence payments, which for companies like Pilkington and Rank Xerox are particularly important.

THE TOP HUNDRED EXPORTERS—1978

Table with columns for 1978 and 1977 rankings and values in £m. Includes companies like BP, BL, GEC, ICI, etc.

SAUDI PETROCHEMICALS PLANT

Japan may increase project size

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

REPORTS THAT Japan's Ministry of International Trade and Industry has promised a major increase in the size of a petrochemical complex due to be constructed in Saudi Arabia by the Mitsubishi group caused a certain amount of confusion when they reached Tokyo yesterday.

The Saudi petrochemical project, which will use locally produced natural gas as its raw material is now the subject of a feasibility study being carried out by Saudi Arabian Petrochemical Development Corporation, a Japanese company with 54 corporate shareholders established early this year.

The study is due for completion in about 18 months and the project itself appears unlikely to get on stream before 1984. The Japanese Government is expected to participate in the project but the form of its participation has yet to be decided.

Optimism on commercial vehicles

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE PROSPECTS for the leading European commercial vehicle industries look most promising for the rest of 1979 and 1980, according to a report from the Economist Intelligence Unit.

The report points out that the major Continental companies have been strengthening their positions as full product line producers. In West Germany an agreement between Volkswagen and MAN will produce a new group able to offer a full product line

in competition with Daimler-Benz. Iveco, the Fiat-controlled, pan-European commercial vehicles group continues to rationalise its product line. And in France Renault's commercial vehicles business is fully integrating the old Saviem and Berliet companies.

Ferodo to make radiators in the U.S.

BY TERRY DODSWORTH IN PARIS

FERODO, THE French vehicle components group is aiming to join the growing list of European motor industry suppliers to establish a manufacturing base in the U.S.

The company plans to begin production of its Sofeca radiator range some time next year. It already has available factory capacity in the U.S. following its recent takeover of SOMA, a French-based, heavy-duty transmission components company which has a branch in America.

Like other European manufacturers of vehicle components, Ferodo sees the change in American car manufacturing towards smaller vehicles as an opportunity for European products. This trend has led to the establishment in the U.S. within the last two years of several European groups, including Bosch and Teves of West Germany, and Lucas and GKN of the UK.

EEC urged to boost Third World trade

By Patricia Newby

THE WESTERN world's fear of an "invasion" of goods from the developing world is largely exaggerated, Mr. Francois van Hoek, a director of the European Commission said in London yesterday.

It was of paramount importance that the EEC, did everything in its power to maintain and expand trade with the developing world, he told the London Impo Expo 1979 symposium which began yesterday.

Between 1970 and 1978 Community trade with developing countries increased from 29 to 38 per cent, including a 90 per cent increase in trade in manufactures. Developing countries' share of the group represented the EEC's biggest trading partner with trade three times that of EEC's trade.

Mr. Shridath Ramphal, Commonwealth Secretary-General told the symposium the developing countries were seeking trade not aid. "It is through trade that the developing countries can earn their way in the world," he said.

Most developing countries were going down the trade road, but a cut-deal, he said. Production was of no value if there was no access to markets.

Mr. Ramphal claimed that protectionism was inefficient, irrational and in the end destructive. It led to stagnation in the developed world and bit at the poorer members of industrialised nations by denying consumers access to cheaper goods. He called on the UK to lead the EEC and the OECB countries away from protectionism.

Synthetic fuel—dirty, costly, but outside OPEC's control

BY DAVID LASCELLES IN NEW YORK

PRESIDENT JIMMY CARTER'S proposals to boost production of synthetic fuels look sensible given the need drastically to cut U.S. reliance on imported oil. But though the technology to produce these fuels is still in its infancy, scepticism about their prospects was mounting for some time before Mr. Carter delivered his message.

Synthetic fuels are extremely costly, and their economic production price has consistently edged ahead of the energy market. In the 1950s, when oil was \$1 a barrel, scientists said synthetics would become economic at \$2. Today, with oil at \$30 a barrel, synthetics cost \$25 and up. Most synthetics also involve environmentally unacceptable mining and "dirty" processing technologies.

even the fuel potential of exotic things like sugar cane, cereals rotting vegetation, and rubbish. Synthetic fuels are attractive to the U.S. with its vast deposits of coal and oil shale (and access to large tar sands in neighbouring Canada). While U.S. oil and gas will probably run out in the next century at present consumption rates, there is enough coal and oil shale to last hundreds of years, and the U.S. already has spare coal production capacity.



each of these "reitor's" would be about \$1m, and the resulting fuel would not be economic at less than \$25 a barrel, probably a lot more. Ironically, the greatest advances in alternate fuels in which the U.S. has a stake have taken place in Canada, in the Athabasca tar sands. These huge deposits are being exploited by a couple of consortia involving U.S. and Canadian companies.

Table: SYNTHETIC FUEL PRODUCTION TARGETS FOR 1990. Columns for Oil liquefaction and gasification, Coal, Biomass, Unconventional gas, Total.

The House of Representatives Bill to stimulate production of synthetic fuel envisages a total of 500,000 barrels daily by 1984, rising to 2m barrels daily by 1990.

with crude oil at \$20 per barrel. Other synthetic fuels are unlikely to make much impact. The most widely published is gasohol, a mixture of 90 per cent petrol and 10 per cent alcohol, made from crops. But it has been calculated that even if the U.S.'s entire corn crop was diverted into gasohol, it would increase petrol supplies by less than 10 per cent.

But opposition to synthetic fuels is mounting fast. Predictably, environmentalists have complained about the implications of boosting production of coal and shale, even if it is to be processed into something cleaner.

Calculations also show that even if the target of the House of Representatives was reached, synthetic fuels would account for less than 5 per cent of expected fuel consumption in 1990, but would cost at least \$100bn to develop.

Handwritten signature or note in Arabic script.

July 17 1979

# Britain has the energy to carry on for at least another 300 years.

We have proven coal resources to last for at least another three hundred years.

Which makes good news when you consider that to replace our present coal output with imported oil would worsen the country's balance of payments by over £5,000,000,000 a year.

And makes especially good news when you remember that world production of oil could well have passed its peak by around the end of the century.

Two good reasons why we should continue to look for coal now.

In fact, exploration is running at ten times the level of ten years ago. And has resulted in some pretty impressive finds.

Selby in Yorkshire, our biggest new project, will soon be producing its first coal. It will then build-up to ten million tons a year for at least another thirty years.

Which is a lot of coal.

In fact this country now produces as much coal as all the other EEC countries put together.

Not so much coal we can afford to squander it, but not so little that we have to panic.

It simply means British Industry has the time to plan ahead, knowing there is an assured source of energy for at least another three hundred years.

And it gives us lots of time to continue working at maintaining Britain's energy independence. If not directly through coal, then through the conversion of coal into other energy sources, such as oil and gas.

In the technology of using coal, Britain leads the world.

Our most recent breakthrough is known as fluidised bed combustion.

This technique provides higher heat release rates than have been possible with coal up to the present time.

Which means that boiler sizes and therefore capital costs can be reduced.

It also means that, because combustion takes place at a temperature below the melting point of ash, boiler availability is greatly extended, and a wider range of fuels can be burned.

You can seek the advice of our Technical Service experts on fluidised bed combustion, and on other ways of making your plant heating more efficient and more economical.

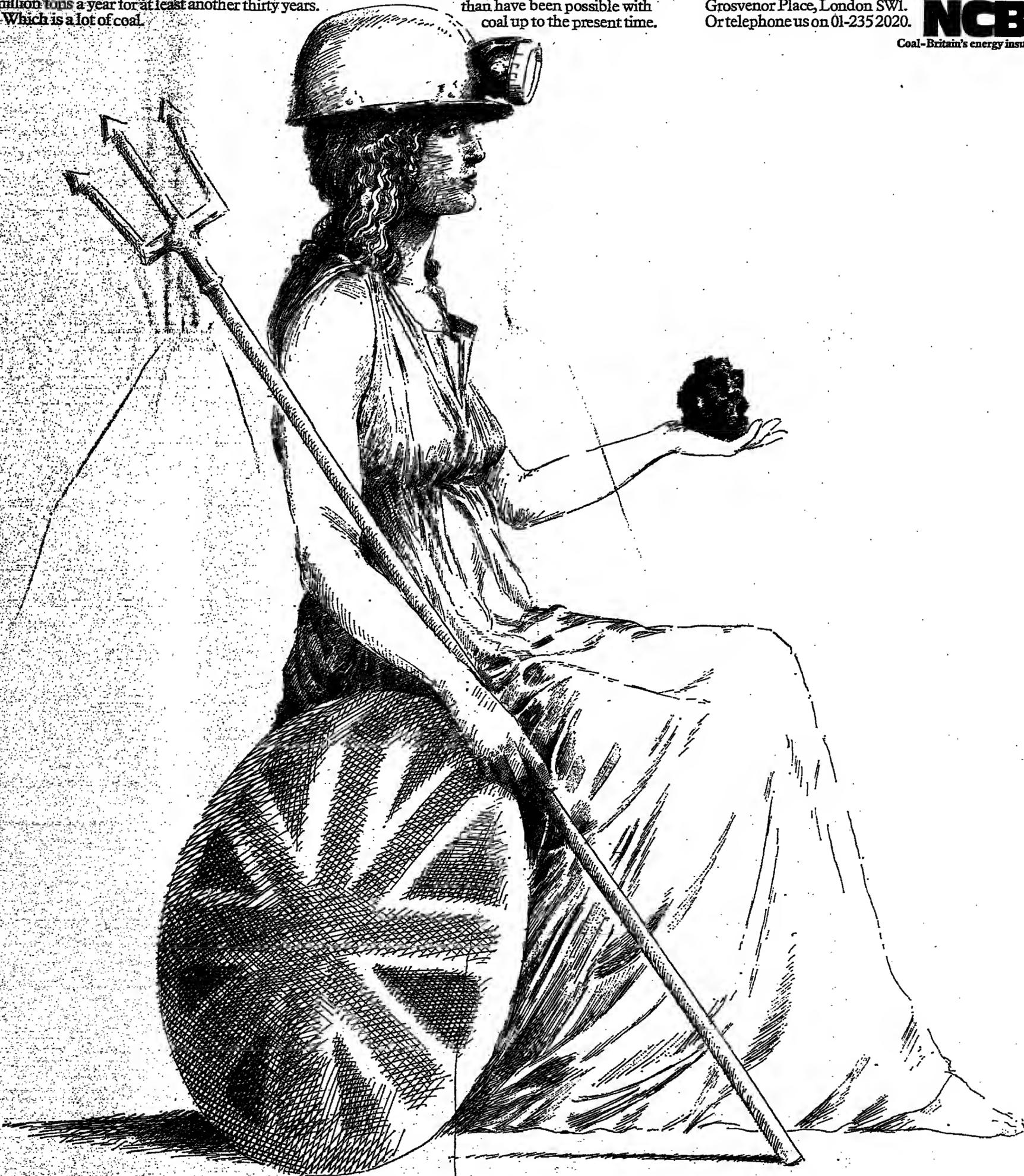
To discuss your heating needs or problems with an expert, please telephone us.

If you'd simply like to know what coal can offer you, send for a copy of the brochure 'Coal-Your Future.'

Write to the National Coal Board, Technical Service Branch, Marketing Department, Hobart House, Grosvenor Place, London SW1. Or telephone us on 01-235 2020.

**NCB**

Coal - Britain's energy insurance



UK NEWS

GLC bid to bring in 50p road toll

MOTORISTS bringing cars into central London could be forced to pay a toll of 50p per visit, under a plan to be considered by the Greater London Council.

The scheme has been worked out by officials from the council, the London boroughs and the Department of Transport in response of the capital's growing traffic problems.

It would involve 80 checkpoints at main road entrances to a four square mile area bounded by the River Thames on the south and the so-called inner ring road (Marylebone Road, Euston Road, Pentonville Road and Park Lane) to the north.

The area covered is identical to the portion of central London from which most lorries of more than 42 ft are already banned.

London's transport planners have often toyed with the idea of a toll but politicians have fought shy of it.

**Stiff opposition**  
It is less draconian than the supplementary licensing scheme devised more than three years ago, but it is likely to meet stiff opposition.

The plan should be ready for discussion by a CLC committee this autumn, although Government clearance would probably also be required for its implementation.

The scheme envisages advanced sales of toll tickets at petrol stations. Motorists would then be required to display their tickets as they pass through manned check-points. Those without a ticket would be charged a penalty premium on top of the normal 50p charge.

Tolls would only apply from Monday to Friday between 8 am and 6 pm.

It is estimated that the scheme would generate an annual financial surplus of £7m, after taking into account the cost of 700 extra traffic wardens required to police it.

Mr. Andrew Warren, secretary of Movement for London, a road users' pressure group, dismissed the plan as "totally ridiculous."

BNOOC to earmark more crude oil for U.K. refiners

BY KEVIN DONE, ENERGY CORRESPONDENT

THE British National Oil Corporation is planning a substantial increase in the amount of crude oil it will make available to UK refiners over the next 12 months.

The shortage of international crude oil supplies to the British market has forced it to re-think its marketing strategy over the last six months.

As a result it has negotiated reductions in several of its existing export contracts, particularly those entered into with U.S. companies, and it is also aiming to devote to the domestic market a far greater amount of its crude oil entitlement, as North Sea production increases, than was originally planned.

Its original marketing plan, drawn up towards the end of last year, envisaged sales to the UK market of about 130,000 barrels a day in the first quarter of 1979, with only modest increases over the year. For much

of 1978 the big oil companies with UK refineries showed little interest in buying relatively expensive North Sea crude, when cheaper foreign crudes were available.

As a result the Corporation entered into several six- to 12-month contracts with overseas buyers to secure outlets for its North Sea crude.

Both the Corporation and UK refiners have been forced to change course, however, since the loss of Iranian crude oil.

The Government has expressed clear dissatisfaction with the high level of BNOOC exports, but the state oil company claims that it had begun to modify its sales strategy before any pressure was applied by the Department of Energy.

In the first quarter it raised UK sales to about 145,000 barrels a day and in the second quarter this was increased to 165,000 barrels a day.

Court call for probe of Chase \$2m error

A HIGH COURT judge yesterday ordered an inquiry into what happened to more than U.S.\$2m mistakenly paid out by the Chase Manhattan Bank.

The \$2,000,687 was paid in July 1974 to Israel British Bank (London) which was ordered to be wound up on its own petition five months later.

Mr. Justice Goulding, giving a reserved judgment after a 28-day hearing, said that Chase Manhattan had been instructed to pay the sum to another bank for the account of Israel British Bank.

By mistake the sum was paid a second time. The error was discovered in time for it to be partially corrected.

Chase Manhattan has started legal proceedings for recovery of the money.

The judge said that when the mistaken payment was made Israel British Bank became trustee of the sum for Chase Manhattan. As Israel British Bank was now insolvent, Chase could not hope to recover the whole loss in the winding up.

The judge directed an inquiry into what happened to the money and what assets, if any, representing the sum, were now in the power or possession of Israel British Bank.

Price Waterhouse and top Arab firm end partnership

BY BARRY RILEY

TALAL Abu-Ghazaleh International, which claims to be the biggest accounting firm in the Arab world, is to end most of its links with the major international firm of Price Waterhouse.

After June 30 next year, the two firms will maintain only certain limited forms of mutual co-operation on a non-exclusive basis.

The joint firm of Price Waterhouse Abu-Ghazaleh, set up in 1974, will continue in practice until next June. After that the two firms will operate under their own names.

Mr. Talal Abu-Ghazaleh will relinquish his position as partner in Price Waterhouse International.

So ends a relationship once described by Mr. Abu-Ghazaleh, a Palestinian, as "the most beautiful example of partnership between the Arab world and the Western world."

Future co-operation will continue on the basis of mutual arrangements for work referrals and joint audit appointments in certain circumstances. There will also be co-operation on technical matters and training programmes.

But TAG stated yesterday: "While maintaining a strong and amicable relationship with us," said Mr. Coates.

Price Waterhouse International, Talal Abu-Ghazaleh and Co. is now free to establish links with other international accounting firms.

Mr. Michael Coates, senior partner of P.W.'s UK firm, commented: "We have found that to some extent the type of clientele differs. We are tending towards serving the international market, while Talal Abu-Ghazaleh is serving national clients."

"The joint relationship has proved us very well in many respects. We have gained operating experience in the Middle East. It has enabled us to find our feet."

**New offices:** Recently PW has had four partners and 14 or 15 managers situated in TAG offices in the Middle East. Now PW will establish its own offices in five centres. One will be in Saudi Arabia—probably Riyadh—and the others will be Cairo, Beirut, Bahrain and Dubai.

The firm will also be ready to carry out work elsewhere. It will be able to handle whatever work present and future clients require of us," said Mr. Coates.

Dispute disrupts import figures

IMPORTS OF £20.6bn in the first half of this year were about £900m lower than they would have been without the civil service dispute, which disrupted the flow of information.

After adjusting for these distortions the average monthly value of imports was 13 per cent higher than in the second half of 1978. About three-quarters of the rise was in the volume of imports, with major

contributions coming from chemicals and road vehicles.

Total exports were £18.9bn in the first half of the year. This was about 3 per cent more than in the second half of 1978. But export prices rose more sharply thanks to the appreciation of sterling and the volume of exports fell by 2 per cent.

Sales to Iran and Nigeria have dropped sharply—down on average by roughly £100m a month, or 3 per cent of total exports, during the first half of 1979.

The estimated surplus on invisibles has fallen compared with last year—down from £489m in the fourth quarter to £394m in the first quarter and £330m in the second quarter. This is the result of higher net contributions to the EEC in the most recent three months.

BALANCE OF TRADE

	Exports		Imports		Terms of trade 1975=100	Oil balance £m.
	£m	Seasonally adjusted	£m	Seasonally adjusted		
1977	32,148	33,492	118.9	107.1	100.8	-2,791
1978	35,432	36,607	122.9	112.4	105.9	-2,815
1979 1st	7,520	8,466	115.9	108.9	97.1	-781
2nd	7,921	8,700	117.7	110.7	100.6	-740
3rd	8,531	9,534	124.6	107.3	101.3	-590
4th	8,174	8,192	117.3	102.4	102.4	-459
1978 1st	8,408	9,004	119.4	103.5	105.7	-620
2nd	8,753	9,926	122.2	109.7	104.9	-414
3rd	9,051	9,418	124.8	114.9	106.1	-501
4th	9,220	9,259	124.8	112.3	106.9	-480
Nov.	3,020	3,136	122.5	113.7	107.5	-162
Dec.	3,127	3,064	126.0	112.5	107.0	-183
1979 Jan.	2,810	2,936	113.0	107.1	107.4	-62
Feb.	2,565	3,331	100.7	117.0	108.1	-77
Mar.	3,015	3,304	117.3	115.7	107.4	-94
Apr.	3,275	3,692	128.4	127.2	108.9	-114
May	3,457	3,622	132.4	127.8	108.0	-5
June	3,779	3,823	140.7	132.0	107.1	-42

\* ratio of export prices to import prices

Source: Department of Trade

'Pay local politicians'—Labour call

By Paul Taylor

FULL-TIME local authority political leaders should be paid a salary, Mr. Reg Fresson, the former Labour Housing Minister, suggested yesterday.

Mr. Fresson, who was speaking at the Labour party's annual local government school, suggested that paid council leaders—directly elected by the public—would be one way to improve community involvement in local government.

He said that although this would be a "radical departure" it was one which he thought was needed given the much greater burdens of local government today.

Mr. Fresson said the need to enhance the community and involve community and neighbourhood groups more directly in local authority decision making was essential.

He suggested a number of measures aimed to improve community involvement including setting up neighbourhood or urban parish councils, neighbourhood committees in place of specialist sub-committees and a higher role for elected members in relation to the professionals in local government.

Mr. Fresson also attacked the Government's threat to punish local authorities which use their autonomous powers to spend regardless of Government priorities.

He spoke against any erosion of local authority democracy and re-stated the Labour party commitment to limited local government re-organisation transferring some powers from the counties to the district councils.

On regionalism Mr. Fresson promised that a future Labour government would advocate "an evolutionary approach" towards developing a "regional presence" co-ordinating government departments and agencies together with some county council functions and the work of the economic planning councils.

The economic planning councils themselves could have more members directly elected by local government and Mr. Fresson suggested that in the longer term constitutional changes should be considered which would turn the councils into provincial councils—as proposed by the Redcliffe Maud Commission—perhaps elected by the district councils.

Jackie Stewart plea to MPs on seatbelts Bill

JACKIE STEWART, former world motor racing champion, yesterday urged MPs to back a seatbelts Bill when they debate it this week.

He told an audience of MPs if he was sure the public wanted "this very sensible proposition."

With the odd exception, motorists everywhere would feel that it was no more an infringement of personal liberty than the requirement to wear a red light or observe a speed limit.

He said: "The similarity is exact. If you don't stop at a red light then you are not using a dangar to yourself but you are killing or injuring a perfectly innocent party and the same thing is true of seat belts."

"If you are knocked unconscious when a half second before you are in control and you take a seatbelt Bill when they debate it this week, I say you are just as guilty as if you had gone through a stop of all parties in London that night."

Jackie Stewart is a director of Britax, manufacturers of seat belts, but he said there was no extra market to be gained for his firm by compulsory wearing of belts, because virtually all cars had them fitted.

Until May's General Election the pro-seat belt lobby was fairly sure of success in the Commons but the new MPs, mostly Conservatives, are an unknown quantity in this fifth attempt—on Friday—to make wearing them compulsory.

State's £53m stake in car project 'like charity'

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT'S decision to invest £53m in the De Lorean sports car venture in Belfast was yesterday described as "more like charity" by Dr. John Watt, who was managing director of the former Northern Ireland Finance Corporation.

Dr. Watt, who resigned in 1974 from what was the forerunner of the present development agency, said a project like the De Lorean plant would be enormously difficult to appraise.

On a BBC Radio 4 programme which examined the venture he said: "It takes a considerable amount of time, effort and expertise. My experience is that an appraisal would take at least six months. It was completed in 45 days. I do not see how it could have been done."

Dr. Watt, one of the originators of the Strathern Audio hi-fi venture in Belfast which eventually closed, said the De Lorean project would not have got off the ground in the days of the Finance Corporation.

The Government's support for the plan to assemble the 30,000 full-time sports cars a year in Belfast, providing up to 2,000 jobs, has received similar criticism before.

But it was strongly defended in the programme by Mr. John de Lorean, the former General Motors executive who heads the company and by Mr. Cilles Shaw, the Ulster Under-Secretary.

Mr. Shaw said it was a high-risk project but had "a viable marketing opportunity" ahead of it.

Mr. Shaun Harta, a director of the development agency which has a stake in the venture, said most of the criticism was made in ignorance of the facts.

Technical research and investigation had been vital but he admitted that Mr. de Lorean's impressive personality and outstanding record in the automobile industry had enabled the agency to take a greater risk than it would have taken "with a lesser man."

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New Act needed to save open spaces

Financial Times Reporter

HUNDREDS OF acres of common land could be taken over by commercial organisations because of a loophole in an Act designed to protect them, a watchdog society claimed yesterday.

Though claims to common land by several organisations have not yet succeeded the Commons, Open Spaces and Footpaths Preservation Society fears that the Commons Registration Act, 1965, will be exploited "contrary" to the intention of Parliament.

The society is staging up a campaign to have a Private Member's Bill reintroduced. Mr. Arthur Bleaney's Access to Commons and Open Country Bill in 1978 was lost when Parliament dissolved before the election this year.

**Liaison call**  
The society is asking county councils to liaise more closely with it when a company or organisation seeks to de-register common land.

New legislation is the only effective way to keep common land intact, it says.

The 1978 Bill would move up any discrepancy in the 1965 Act, which provides for amendments where land registered under the Act "ceases to be common land or a town or village green."

Zebra and Springbok go under the hammer

THE NEXT auction to be held by Sotheby's in South Africa sees the firm offering some unusual merchandise—springbok zebra and giraffe.

It is their first attempt at a sale of live animals. In 240 years Sotheby's has never done anything like this, says Mr. Reinhold Cassirer, managing director of the South African operation.

The auction site is out on the veld, over the Vaal River from Johannesburg, in the Orange Free State. The bidders on Thursday will be sitting on bales of straw and the auctioneer, not quite on the back of a lorry, but on a rather rudimentary wooden platform.

The setting has a certain rustic quality—a clearing in the heart of a plantation of oak trees, on the Estate Maccanville.

Under the eaves of the oaks—an oddly British touch, some 6m were planted on the estate at the turn of the century—long lines of pens have been tastefully constructed out of rough branches and white

SALE ROOM

BY QUENTIN PEE

plastic sheeting. Prospective buyers may walk along a precarious raised gangway to look down on the merchandise, which also includes aland, wildbeest, ibex and several families of once-imported fallow deer.

The occasion has caused considerable excitement, and some repudiation, both at Sotheby's and for their client, which in this case is the farming enterprise of the giant Anglo-American mining empire.

To celebrate the occasion both the Earl of Westminster and Mr. Graham Llewellyn, the company's deputy chairman, are flying out from London.

Porcupines

The idea is to lay the foundation for a major annual game auction in South Africa, to cater for the rapidly growing industry of game farming, both there and overseas.

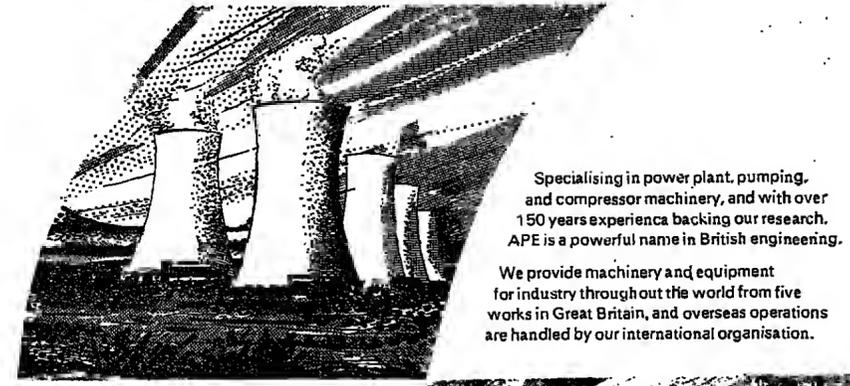
The sellers plan to have between 500 and 600 animals available for auction, including a few specially-reared pheasants and a handful of porcupines as a novelty.

Game farming in South Africa is on the verge of a terrific expansion, according to Mr. Arthur Penberthy, general manager of Anglo-American's Swaziland farms. "Beef is going to become more and more expensive and there is great potential in the export market."

Another attraction is the lack of running costs; stock a farm with game, and all you need provide is the occasional lick of salt to supplement the diet.

As for the price you might expect to pay for an animal, the range is from R100 (£58) for an impala to R200 (£140) for a waterbuck. The giraffe, brought in on a flat-bed lorry from Namibia, may go for up to R1,000 (£538) or more. All bids gross; however, could top R150,000 (£90,000).

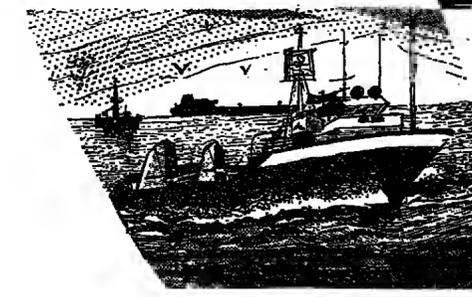
As for the auction itself, Sotheby's naturally hopes the bidding will be done by itself. "Usually at Sotheby's we adopt an auctioneer approach to conducting," said Mr. Stephan Wais, their auctioneer in Johannesburg. "This time it's done by the client. We are going country by style and by geographical area and mostly in an afternoon."



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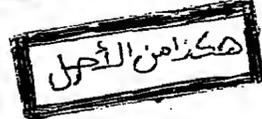
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Winter air fares to Spain cut by 40%

By Our Airspace Correspondent
BOTH BRITISH AIRWAYS and Iberia, the Spanish airline, are to cut fares to Spain by up to 40 per cent this winter.

Call for cut in price restraints

By Maurice Samuelson
BASIC industries in developed countries must be relieved of restraints on prices, profits and planning if investment is to revive in the next 20 years.

Footwear group picks president

THE Clothing and Footwear Institute has chosen its first president since it merged with British Boot and Shoe Institution.

'Too little money spent on energy conservation'

By Maurice Samuelson
THE EEC COMMISSION has spent too much money on solar energy research compared with the amount spent on conservation of conventional fuels, a House of Lords select committee report said yesterday.

Manx brief suggests firm financial future

By Anthony Moreton, Regional Affairs Editor
THE ISLE OF MAN has the basic ingredients for a successful economic future, according to a business brief prepared by the island's government.

Howe welcomes support

By Peter Riddell, Economics Correspondent
SIR GEOFFREY HOWE, Chancellor of the Exchequer, has been impressed since the Budget by "the number of people of all kinds and jobs who have enthusiastically endorsed what the Government has begun to do."

London Transport revenue grant to be maintained

By Our Transport Correspondent

THE GREATER London Council has rescinded a move to cut £18m of London Transport's revenue support grant next year.

tomorrow an alternative "base" programme for spending of £257m next year and £1.6bn in the five year period. The final figures will depend on the Government's response to the programme.

Farmers fight City for £3.5m estate

By Christopher Parkes

A £3.5m tussle for possession of one of Britain's oldest agricultural estates is expected this summer between City institutions seeking sound investments for their portfolios and the present tenants of the land whose families have farmed it for generations.

Call for higher child benefits

Financial Times Reporter

PROFESSOR David Donnison, chairman of the Supplementary Benefits Commission yesterday called for higher child benefits to improve the living standards of low-paid families.

Professor Donnison said that although the Government was committed to restraining public spending and the role of the public sector, changes in the legal structure of the supplementary benefits scheme, for example equality for working women claimants, could improve the system.

The Scottish National Party yesterday claimed that both central and local government had failed to come to grips with the problem of poverty in Scotland and gave a warning that the planned cuts in public expenditure would be a "social catastrophe" for the majority of people in Scotland.

Cut in Norway ferries a blow to Tyne tourism

THE NORTH-EAST tourist industry, heavily dependent on visitors from Norway, has been dealt a blow with the announcement that the Oslo-Bergen line is to cut its winter Sea Link services to Tyneside.

London given £14,000 shine

NINE HISTORIC buildings in London—including a superb example of English baroque architecture, Christ Church Spitalfields—will benefit from Greater London Council grants totalling more than £14,000.

Speedlink Computer-controlled freight system

Spearheading Railfreight into the 80's Speedlink, Railfreight's fast wagonload system, uses the new generation high-capacity wagons travelling at speeds up to 75mph. It is a fully computerised freight system. Every wagon movement is continuously monitored throughout, and transits are completed within hours.

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Advertisement for Speedlink freight system featuring a large image of a train and the Speedlink logo with the tagline 'The freight name for reliability'.

NEWS ANALYSIS—PRIVATE COAL OPERATORS New company's 30 sites

By John Lloyd

THE expected bid last week for Mining Investment Corporation by Burnett and Hallamshire, the private mining and construction group, will make the new, joint company by far the largest private coal operator in the country.

The recent sharp rise in the oil price has meant that coal has been able to raise its prices twice in the past six months by a total of about 22 per cent.

While this has provoked protests from the Central Electricity Generating Board, the NCB's largest customer, oil is so scarce that the CEBG has no choice but to pay. It will double its imports of coal to about 3m tonnes—but even so, it needs every tonne of domestic coal the mines can produce.

Mr. Helsby sees the division's turnover rising from its present £9m to £10m level to double that over the next five years.

For Mincorp, which has mining interests of various sorts in Nigeria, Canada and South Africa, the deal will offer the strength and reserves of a rather larger company, together with achieving licensed status for its coal holding.

Mr. Helsby does not see large-scale expansion in the new group's coal interests, but expects that the most immediate advantage will be in the higher quality mix of coal it will be able to offer to its customers, since it is now able to draw on a wider choice of outputs.

Both companies believe that the times are propitious for their merger. Like the NCB, they look to benefit from the vagaries of OPEC.

# EEC Budget demand 'intolerable'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN'S net contribution to the proposed EEC Budget for 1980 is likely to be in excess of £1bn, a figure which Mr. Nigel Lawson, Financial Secretary to the Treasury, last night condemned as "quite frankly intolerable".

Mr. Lawson said that the European Commission had already brought forward one rectifying letter increasing the size of the draft Budget. A further rectifying letter proposing another increase was possible in the autumn.

"The Minister was speaking in a Commons debate on the draft Community Budget for next year. On Monday, he will be attending the EEC Budgetary council meeting which discusses the draft proposal.

"He told MPs that it was undesirable that any EEC member state should suffer a Budgetary loss on the scale of that being proposed for the UK.

"It is certainly wholly wrong that the UK—one of the poorer members of the community—

should be doing so," he added.

Throughout his speech, Mr. Lawson emphasised that it was the net figure, rather than the gross, that was causing the Government such concern.

Britain's opposition to the proposals did not mean that the Government believed that each member of the Community should get out precisely what it paid in.

"But it does mean that the present situation cannot be allowed to continue," he declared.

On behalf of the Government, Mr. Lawson accepted an amendment put down by the Opposition, criticising the UK's "massive and ever increasing" net contribution to the Budget.

The amendment called on the Government to press for fundamental reform of the Budgetary arrangements so that Britain's contribution was no greater than its receipts.

From the Labour front bench, Mr. Dennis Davies, an Opposition Treasury spokesman, said

that unless Britain received a better deal on the Budget we should give notice that we would take unilateral action in put matters right.

One way of doing this would be to announce that we intended to reduce our contributions gradually on a specific time scale.

"There is going to come a time when the British people are not going to fork out money—£1bn or more—without getting any appreciable benefit," declared Mr. Davies.

Mr. Davies said that Britain's £1bn towards the Budget was quite simply a matter of increased Government expenditure. Ironically, this came at a time when the Government was pledged to cut spending.

Opening the debate, Mr. Lawson said that the UK's gross contribution for 1980 in the Commission's original proposal would amount to just over £2bn.

But that would not be the figure at the end of the day. The rectifying letter which the

Commission had issued would increase the total budget by a further 3.75 per cent and add £155m to the UK's gross contribution, bringing it to £2.2bn.

However, what really mattered was Britain's net contribution which was arrived at after taking our receipts from the Budget into account. On the basis of existing policies, this would be above £1bn.

The Government would take every opportunity to impress on our Community partners the seriousness of the problem and the need for "substantial, rapid and lasting relief."

In particular, the Government would draw attention to the deficiencies in the existing financial mechanism under which Britain received refunds on its contribution in certain circumstances. The existing mechanism was quite incapable of meeting our needs.

Restrictions built into the mechanism limited the size of any refund the UK was likely

to obtain. Yet, at the moment, expenditure from the Community Budget was only about £10 per head in Britain compared with an EEC average of between £25 and £30 a head.

Even on the most favourable assumption, we would qualify for a refund of only one quarter of our net contribution. But this would be on condition that we were in a balance of pay-preceding years.

As this condition was unlikely to be met, Britain's net refund would diminish to a mere £30m.

Mr. Lawson criticised the overwhelming bias in favour of the CAP although the changes to the CAP could help us. It could not provide a realistic solution to our Budgetary problem.

Many member states would fiercely resist any attempt to cut back drastically on the CAP. Yet without a drastic reduction, we could not hope to reduce our contribution to an acceptable level.

# Corby steelworkers plan to go on 'war footing'

BY GARETH GRIFFITHS, LABOUR STAFF

UNIONS at Corby steelworks, Northants, plan to put themselves "on a war footing" to fight the proposed British Steel Corporation closure, the plants' joint action committee said yesterday after a meeting with Sir Charles Villiers, the BSC chairman. Mr. Bill Homewood, Labour MP for Kettering, was present.

It looks very doubtful whether Friday's planned meeting between unions and management at Corby on the closure will take place.

Mr. John Cowling, of Corby action committee, said it would not take place unless Mr. Bill Sirs, general secretary of the Iron and Steel Trades Federation, was present. Both BSC and the unions think the meeting unlikely.

Mr. Cowling described yesterday's meeting as fruitless. There was an offer of BSC in the town, but the unions were setting up factories to provide jobs had been mentioned on job no specific assurances given. About 4,000 jobs would be lost if the closure went ahead.

The joint action committee urged other unions to help the plant remain open, particularly in construction work on retaining the furnaces.

"There is no way BSC are going to shut Corby," said Mr. Cowling. Mr. Homewood said he would look into a British Steel claim that a Labour Government would also have given the go-ahead for the shut-down.

Sir Charles said: "The problem at Corby will not go away. The urgent need is for a low cost feedstock which will allow Corby to remain a competitive tube works. The problem, as we have said all along, is part of the problem of dealing with the excess of steelmaking capacity in the corporation."

BSC is worried that without Friday's talks, there may be several weeks' delay because of holidays.

# Aerospace staff vote intensifies battle over representation

BY NICK GARNETT, LABOUR STAFF

THE BATTLE among TUC unions over representation of senior staff and managers in engineering intensified yesterday with a ballot decision by members of the British Aerospace Staffs Association to join the Engineers and Managers Association.

The EMA, which has been competing principally with TASS, the white collar section of the Amalgamated Union of Engineering Workers, now intends setting up an Aerospace Association in October.

This will complement the Shipbuilding and Allied Industries Management Association (SALIMA), also a part of the EMA, which is involved in a recruitment battle with unions affiliated in the Confederation of Shipbuilding and Engineering Unions. The EMA is not affiliated to this body.

Ninety per cent of BASA members in the ballot opted for a transfer of engagements with the EMA. About half of BASA's 1,100 members are thought to have taken part in the ballot.

The EMA's new Aerospace Association will be formed of BASA and BACSTAFF, the local staff body at the British Aerospace Warton division which is in the process of amalgamating with the EMA.

Mr. Peter Fairley, BASA general secretary, said yesterday that the establishment of an Aerospace Association within the EMA to cater for managers and engineers in the industry was a big step forward. "It is to be hoped that the Board of British Aerospace will recognise the new body as the appropriate organisation for middle and senior managers in the industry."

Last month, however, TASS signed a recognition agreement in behalf of senior staff at the Warton Division, which the Association sees as a significant breakthrough.

Under the agreement, the Warton Division management says it will not afford recognition to any group with affiliation to a non-Confederation of Shipbuilding and Engineering Unions body or any organisation outside British Aerospace.

TASS has agreed with British Aerospace at Warton that it will co-operate with senior staff who are not its members providing there is no affiliation between the group and any non-CEBU body. This means that BACSTAFF will not co-operate with BACSTAFF when it becomes a part of the EMA.

In the face of TUC opposition, the EMA won national recognition earlier this year from British Shipbuilders through an amalgamation with SALIMA.

# Union loses appeal against ban on pickets

BY NICK GARNETT, LABOUR STAFF

IF TRADE unionists make demands which are utterly unreasonable or quite impossible to fulfil, they lose the protection of the Trade Union and Labour Relations Act, Lord Denning, Master of the Rolls, said in the Appeal Court yesterday.

He was giving judgement dismissing an appeal against a temporary High Court order banning pickets and blocking of a Northants transport company.

The ban was imposed on June 28 on an application by PBDS (National Carriers) until full trial of their action against Mr. Joseph Filkins, secretary of the Society of Graphical and Allied Trades' London Central Branch.

Mr. Filkins was yesterday refused leave to appeal to the House of Lords.

SOGAT's national executive accepted the proposals but it was rejected by Central London branch members who began industrial action.

Lord Denning said it seemed the real truth of the matter was the resentment of Central London branch officials at being overruled by their national executive.

"There were reasons for thinking that the branch action was not genuinely with a view to settling their own claims for their wages. They were seeking to achieve the impossible if they thought industrial action would alter a situation agreed by the TUC and the national executive. The balance of convenience is as plain as can be: it is in favour of allowing agreed conditions of employment to be fulfilled and letting the new company go on its course without further interference," said Lord Denning.

Lord Denning said that PBDS had been taken over by National Carriers. The PBDS employees of SOGAT, but National Carriers had a closed shop agreement with the National Union of Railwaymen.

The TUC worked out a peace formula under which workers would have joint membership of the two unions but with only the NUR having negotiating rights.

Lord Justice Templeman agreed and said the branch were plainly not acting in furtherance of a trades dispute. Branch officials had made allegations in emotive terms, sold down the river, lock out, official dispute. Terms had been used, "at least as old as Lenin."

Officials seemed to be trying to demonstrate that London Central branch would not be flouted or trifled with, the judge added.

# Midland Bank staff pay proposals may set pattern

BY OUR LABOUR STAFF

FOUR of the five English clearing banks were assessing their position yesterday following acceptance by the Midland Bank of mediation proposals on pay for clerical, computer and managerial staff, which is almost certain to be agreed upon by members of bank's two unions.

The form of the proposals, which centre on a 15 per cent "new money" increase on all salaries is unacceptable to the staff associations at Barclays, National Westminster and Lloyds.

Williams and Glyn's, which has no staff association, only recognises for this group the Banking Insurance and Finance Union whose negotiators have recommended the Midland proposals.

The three staff associations have been seeking a restoration of differentials which is not catered for in the proposed Midland settlement.

Barclays Group Staff Association, which is the largest staff body in the bank has been seeking a 6 per cent spread in salaries for example. On the basis of the Midland proposals for the lower clerical grades, this would imply a rise in salaries for senior managers of 21 per cent "new money."

It seems highly unlikely that the other clearing banks could make any settlement for their clerical staff in grades one to four different from that achieved at the Midland. At the moment, pay for these grades in all the five banks is identical.

Mr. James Hamilton (Lab. Bothwell) wanted Arts Minister Norman St. John-Stevens, a fellow Catholic, to tell him where it had gone.

Mr. St. John-Stevens had to confess: "The picture is hanging in my room where it appears to be very happy," he said. Any MP who wished to "pay a pilgrimage to see it" would be welcome.

# Technicians' action may be called off

BY PHILIP BASKETT, LABOUR STAFF

THE Institution of Professional Civil Servants yesterday offered to call off industrial action by its members at the Houses of Parliament if an earlier date could be set for a meeting on a pay dispute involving 50,000 technicians.

Lord Scaunce, the Lord President of the Council, who has day-to-day responsibility for the Civil Service, replied by offering to meet Mr. Bill McCull, IPCS general secretary, on Friday to discuss the deadlock.

Mr. McCull suggested yesterday that a "gesture of good will" to give the strike action by 32 technicians at the Palace of Westminster, designed to affect certain facilities, air conditioning and lifts, should be called off from when a new date for the meeting was fixed.

The Advisory Conciliation and Arbitration Service has been in touch with both the union and the Civil Service Department after an indication from Mr. McCull that the union might consider continuation as a way out of the deadlock. ACAS will not be proceeding now though because of the prospect of Friday's meeting.

The union, which already has about 400 of its members taking part in selective strikes and all its 100,000 members operating an overtime ban, is operating a step-by-step action with a series of 100,000 regional stoppages.

# Staff move on BBC licence fees

BY OUR LABOUR STAFF

THE ASSOCIATION of Broadcasting Staff and the Musicians' Union have asked to meet Mr. William Whitlow, the Home Secretary, to discuss increases in BBC licence fees.

Mr. Tony Hearn, the ABS general secretary, in his union journal said he was pessimistic about the BBC's financial future. His association had a major interest and problem in common with the BBC—to persuade the Government to finance the corporation properly.

He said the Government's decision to give the fourth television channel to the Independent Broadcasting Authority, and to allow local radio to develop at its own pace, meant the shift of power within broadcasting from the BBC to the IBA.

The association wants the Government to consult with the broadcasting unions on its detailed proposals for broadcasting.

# Emergency debate on Shotton

BY IVOR OWEN

AN EMERGENCY Commons debate on the closure of the Shotton steelworks in North Wales will be held today, Mr. George Thomas, the Speaker, ruled yesterday.

His decision, which will give Labour MPs their first chance to launch a big attack on the Government's industrial policy, followed an application from Labour backbencher Mr. Barry Jones, whose Epsom Flint constituency includes the steelworks.

All Labour MPs present and Tony Sir Anthony Meyer (Flint W) stood to support the appeal for an emergency debate.

Mr. Jones, a leading critic of the Government after Sir Keith Joseph's Friday statement on the closure, accused the Government of acting "in a brutal, pitiless, and savage manner."

"They are sacrificing Shotton on the altar of free market economics," he said. "Many steelworkers will face life on the dole if these proposals go ahead."

Latest figures suggested that redundancies following directly from closure might top 7,000, rather than the 6,300 he had originally suggested.

# Companies granted additional time to change their names

BY IVOR OWEN

COMPANIES REQUIRED to change their names under the terms of the Companies Bill now before Parliament are to be permitted a longer transition period than the six months originally proposed.

This was announced by Lord Lyell, a Government spokesman, in the House of Lords last night when the difficulties which many companies would have faced under such a timetable—including the possibility of prosecution for trading under misleading names—were again stressed by Lord Mottistone.

Lord Lyell said consultations with the interests concerned had left the Government convinced that the six months period would have caused industry "significant problems."

The precise amendments to be made to the Bill were still under consideration and would be introduced during its passage through the House of Commons.

Lord Lyell indicated that the Government was thinking in terms of a 12-month period for the changeover insofar as the headings on business stationery were concerned.

But he recognised that 12 months was unlikely to be long enough to cover the problems associated with the use of names on labels on medicinal and similar products.

He said the Government recognised that some medicinal and pharmaceutical products had a long lead time for production and that some time elapsed between the product being sold and its appearance on retailers' shelves.

A significantly longer period would be necessary in this area and the Government was examining the possibility of as long an interval as three years.

Lord Lyell told peers that the Government was also considering whether the offence involving prosecution for trading under misleading names might have been too widely drawn.

Lord Lyell assured the House that the Government wanted the changeover from the old to the new names to be carried through as smoothly and efficiently as possible.

Before the completion of the report stage, Lord Elwyn-Jones, the former Labour Lord Chancellor, renewed Opposition criticism of the Government's failure to include provisions in the Bill dealing with insider trading and loans to directors.

He warned the Government to expect even stronger criticism when the Bill reached the Commons — criticism all the more justified when the Government was contemplating highly controversial legislation on industrial relations.

Lord Elwyn-Jones foresaw "a great deal of trouble" for the Government through its refusal to deal with the "company scandal" while insisting that it was necessary to legislate on industrial relations.

Joseph postpones statement

By Richard Evans, Lobby Editor

FOLLOWING THE personal intervention of the Prime Minister, Sir Keith Joseph, Industry Secretary, agreed to postpone his major statement on regional aid to industry yesterday to make it more sensibly to the Commons today.

Mrs. Thatcher insisted on the move on the advice of Mr. Nigel Jopling, the Chief Whip, when it had become apparent that the Government faced blistering criticism over the statement and the method of its presentation from both Conservative and Labour MPs.

Sir Keith had intended to announce his wide-ranging cuts in regional aid, amounting to around 20 per cent, by written Parliamentary answer, because of length and complexity, and then to hold a Press conference.

But this had the key drawback of not allowing MPs an opportunity of questioning Sir Keith on proposals that could vitally affect their constituents, and just three hours before the statement was due to be made the operation was called off.

The whole extraordinary muddle amazed experienced MPs and once more called into question the political sensitivity and judgment of Sir Keith, who has in the past misjudged the mood of MPs.

The issue also illustrates the vulnerability of the Government to Parliamentary pitfalls, despite its substantial majority.

Ministers have already been embarrassed by their forced compromise over MPs' pay, but that would have been nothing to the row that would have ensued, had Sir Keith gone ahead with his original plan.

Warning signals were received by Mr. Jopling from MPs yesterday morning and he quickly made soundings among Government colleagues by telephone before informing the Prime Minister of the dangers.

Mrs. Thatcher moved swiftly by instructing the Industry Secretary to change his plans. It was stressed last night that there would be no change in the substance of Sir Keith's lengthy statement today, and it remains the Government's intention to allow a day's debate on industrial policy before the House rises for the summer recess at the end of next week.

But before the recess, Ministers have a long list of statements to be made, including further announcements of policy from Sir Keith on the future of the National Enterprise Board, the shipbuilding industry, and the Meriden co-operative.

Other statements are due on the Royal Commission report on the National Health Service and on the Government's proposals for accepting Vietnamese refugees.

# BUDGET 1979

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# A FINANCIAL TIMES CONFERENCE

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

## DATA PROCESSING Road traffic counted and analysed

TRAFFIC analysis equipment by Golden River Bicester, will provide users of its traffic counting and classifying systems, who may not have ready access to computing facilities, with a stand-alone system capable of making full analysis from collected data.

Developed in conjunction with Alraham and Partners, London, the hardware consists of a hair-matrascope power with dual minifloppy drives, an LSI DECwriter as the console for controlling operations and providing the print-out, and a Golden River fast decoder MK2/29 to provide the raw data input. The complete system, together with the DS60 interactive analysis software package, costs less than £5,000.

Software, which is resident on disc, enables the user to define the basic parameters of site number, date and timing interval. It then requests the user to insert his cassette into the fast decoder and subsequently indicates the reading of the cassette. Data is transferred on to diskette and all errors are listed on the printer. At this stage the user can edit the data if necessary, before proceeding with the analysis itself.

Two basic analysis outputs are catered for, these being firstly a page per day output, and secondly a page per week analysis giving hourly and daily averages. The complete process, from inserting a cassette into the decoder to producing a weekly analysis print out takes less than 10 minutes.

Golden River Company, Telcote Road, Bicester, Oxon OX6 0UL, Bicester 44581.



Communication in noisy factories is made easier by using ear defenders like those shown in use here. This headset incorporates a microphone and is designed for two-way telephone and radio communications. The equipment is marketed by Acoustic of Sonic House, The Broadway, Woodbridge Road, Guildford, Surrey (0483 66488). Seals on the ear muffs and the headband are padded for comfort and covered with Velux flexible pvc supplied by Storey Brothers.

## Tiny units get the data

OFFERED by Burr-Brown are three self-contained data acquisition systems in which the electronics are condensed into packages measuring only 2.2 by 1.7 by 0.22 inch but which nevertheless provide all the circuits needed to capture and process analogue data and present it in digital form to a data processor.

Each of the systems incorporates a 16-way input multiplexer, with channel selection latching, sample-and-hold circuits, a high performance analogue-to-digital converter complete with voltage reference and clock, output buffers and overall digital control to minimise the number of supporting devices needed.

The three units in the range are SDM 856, 7 and 8, the first of which contains no instrumentation amplifier. The 858 is in a slightly larger metal package and is expressly designed for the very low level inputs provided by transducers such as thermocouples and strain gauges.

At a gain of 100 the error introduced by the 858 is less than 0.25 per cent of full scale at throughput rates up to 2000 samples/sec.

More from 11, Station Road, Watford, Herts (0423 39837).

## COMPONENTS Bearings take the load

MOUNTING wormshafts and wheelshafts of a new metric range of speed reducers on SKF taper roller bearings is significant among a number of design improvements which have enabled David Brown Gear Industries to widen its off-the-shelf units for all applications in the medium power range up to 60 kW.

David Brown had fitted angular contact ball bearings to the shafts of earlier designs of worm gear speed reducers in this range, but after extensive bearing load calculations, firstly using SKF computer programmes, checked by David Brown, the latter decided on SKF taper roller bearings for the new 2000M Radicon series.

Taper bearings were chosen because of high load carrying capacities and long life. Ability to accommodate high over-hung loads is particularly important for those applications—about 15 per cent—where there are additional loads on shafts external to the gearbox, as in ore crushers.

The new Radicon design concept is based on a single piece universal gear case which, for each of four sizes (100, 125, 160 and 200 mm centres) is used throughout an extensive variety of individual types of speed reducer.

SKF, Soudon Park Road, Luton, Beds, LU5 3LJ, 0582 55877.

## INSTRUMENTS Very small counting unit

PUT ON the market in the UK by Continence Specialties Corporation is a frequency counter measuring only 78 x 152 x 38 mm and weighing 230 grams, but offering nevertheless a measuring range from 1 kHz to 550 MHz.

This calculator-sized unit, MAX-550, has a six digit LED display and an internal crystal-controlled time base which yields an accuracy of three parts in one million for input signals down to 250 mV.

Small size and simplicity of operation make the instrument useful for high accuracy field (or workshop) testing: there is no switching or adjustment of polarity, slope, trigger or input level and automatic lead-zero blanking is incorporated.

Internal re-chargeable batteries prove more than two hours' continuous use or eight hours of typical intermittent use. If necessary the unit can be run from an external 7.2 to 12 volt dc supply. Accessories include a miniature aerial for direct radio transmitter frequency checking, cables, chargers and adaptors.

More from the company at Shire Hall Industrial Estate, Saffron Walden, Essex CB11 3AQ (0799 21632).

## BETTER than analogue

PROMOTIONAL literature accompanying the launch of Kehlby Instruments' latest digital multimeter describes it as "the end of the line for analogues", pointing out that it can be bought for about the price of a quality analogue meter, yet is sturdy, simple to use and is a full five-function digital meter.

Known as the Model 159, the instrument has a 0.6 in high liquid crystal display with function and range shown. Carried like a portable radio, the meter

## HANDLING Converted weighers cost less

CONVERSION PACKAGES for automatic weighing equipment from Weighing Systems, of Royston, Barnsley, will enable manufacturers to anticipate the implementation of new EEC legislation, without the expense of replacing existing weighers with new machines.

The company can supply factory-rebuilt automatic vibratory weighers of leading British manufacture incorporating a new flexure mechanism and associated electronics which provide for data weight recording. This enables the equipment to record average weights as will be required by the new legislation when it becomes effective in January, 1980.

Alternatively, Weighing Systems can convert manufacturers' existing equal arm beam weighing equipment and also rebuild the machines at the same time. In either case, conversion of machines to average weighing not only satisfies the legislation, but offers considerable savings in manpower and materials. If all weighers in a line are converted, they can be connected to a central panel for ease of monitoring and control and a weigher which is weighing heavy or light can be identified and corrected instantly.

The full live range flexure mechanism is much easier to maintain, has no wearing knife edges and will respond faster and more accurately to discrepancies in feed. The electronics are provided in modular form for plug-in fault rectification, keeping downtime to a minimum.

Robuilt weighers offer considerable cost-savings over new machines and are themselves indistinguishable from new equipment. Weighers are stripped down and rebuilt with replacement parts where necessary, entirely new electric, and a new or completely rebuilt weighing mechanism.

L. E. Stott, Bacup, Lancashire (Tel: Bacup 5413).

## PROCESSING Regenerates spent acid

ADVANCED triple-screw pumping equipment which operates at more than twice the discharge pressure of existing screw pumps of similar size is to be manufactured for the United Kingdom and other sterling area markets by Weir Pumps of Glasgow. It is believed to be the most efficient pump of its type now in production anywhere.

Imo D4, is one of the latest generation of high-technology pumps developed by Imo Industri AB of Stockholm, Sweden. It will be available in autumn 1979 in seven sizes to cater for flows from 18 litres/minute to 900 litres/minute and pressures up to 160 bar.

This D4 design incorporates improved thread profiles and materials which have double the discharge pressure for a given thread length, increased reliability and improved volumetric efficiency—formerly a weak point of the screw pump—to a point where it is at least comparable with that of other pump types. It is almost silent in use.

A self-lubricating pump, the D4 is designed for pumping lubricating, hydraulic and fuel oils and fluids containing oil. A unique cartridge assembly system means that the internal working parts can be incorporated in a variety of casing arrangements.

CHEMICAL Engineering Construction (Pensnett) has commissioned an acid regeneration plant designed and built for Steel Nut and Joseph Hampton at the latter's Wodon Works, Wednesbury, West Midlands.

Capable of regenerating 250 gallons per hour of spent acid, it will help the user company to contain running costs.

Chemical Engineering Construction (Sircon Group), Regal House, London Road, Twickenham TW1 2QJ, 01-892 4455.

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## ELECTRONICS Control of servo units

AVAILABLE FROM Ferranti Electronics is a precision integrated circuit servo amplifier designed for use in pulse-width position servo mechanisms and motor speed control applications. It has low quiescent current, high output drive capability and low external component count, and operates over a range of repetition rates and pulse widths.

The ZN438CE operates from a standard 1.5 millisecond pulse width with Schmitt trigger input shaping. It can accommodate a power supply of between 3.5 and 6.5 volts as it incorporates precision internal voltage stabilisation to ensure interference free operation. This amplifier offers consistent and repeatable performance, with excellent voltage and temperature stability.

Ferranti Electronics, Fields New Road, Chadderton, Oldham, OL9 8NP, 061-624 0515.

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Cash on Hand and Due from Banks	\$175,491,175
U.S. Government Securities, Direct and Guaranteed	89,308,571
State, Municipal and Other Public Securities	64,608,602
Federal Funds Sold	52,000,000
Loans and Discounts	171,792,525
Customers' Liability on Acceptances	18,236,485
Other Assets	28,178,689
	<b>\$538,615,047</b>
<b>LIABILITIES</b>	
Deposits	\$482,879,041
Federal Funds Purchased	44,200,000
Acceptances: Less Amount in Portfolio	18,236,816
Other Liabilities	7,894,808
Capital	\$16,000,000
Surplus	19,345,284
	<b>\$538,615,047</b>

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## MATERIALS Makes a tough coat

AN EPOXY-BASED coating that can be cured at room temperature (or more rapidly at higher temperatures) and which offers a tough, resilient and abrasion-resistant film is offered by Emerson and Cuming (UK), Colville Road, Acton, London W3 (01-992 6692).

Mixed just before use from two components the material, called Eccocoat 729, can be used for coating electronic components, for corrosion protection and for high insulating resistance films.

The coating's resilience makes it especially suitable for coating items containing dissimilar materials since it is able to absorb differential changes due to thermal expansion as the temperature increases or decreases between -56 and +149 degrees C. Thermal shock characteristics are also good.

## 'Pots' the components

FOR THE encapsulation of electronic and electrical components 3M United Kingdom is offering a new grade of Scotchcast XR-9050, which is a one-part, free-flowing epoxy-based material needing no mixing.

Simple to use, it is merely poured from the container into the component which is mildly vibrated and then oven cured to the schedules provided. There are no problems with pot life, no smell, and very little waste.

The company claims that consistent quality results are achieved without the need for expensive equipment and at "very low" material cost.

More from Industrial Electrical Products Group, 3M United Kingdom, P.O. Box 1, Bracknell RG12 1JU (0344 26726).

## POWER House power linkages

GEC-HENLEY has a redesigned series of electric house service cut-outs which incorporate a number of technical refinements primarily concerned with enhancing safety for installer and user.

Series 7 is the first cut-out designed specifically in compliance with the British Electricity Supply Industry Standard for domestic cut-outs, BS1 12-10.

Most important is the change of material to glass reinforced polyester (grp) from the traditional phenolic. The new material gives major improvements in the electrical and mechanical properties of the cut-outs. Specifically, there are big gains in resistance to tracking, in impact strength, and thermal conductivity (and hence lower temperature rise). The new cut-out is the only one on the market to be made in grp and GEC-Henley is one of the first companies to have embarked on injection moulding of this material on a continuous production basis.

Another advance is in the treatment of the cable-entry positions. These have traditionally been protected by "knock-outs"—a thin membrane of the phenolic material. However, it has always been difficult to design a knock-out which is easily removable by the joiner, but impervious to electricity attack by children or recognition thieves. BS1 12-10 recognises this contradiction by requiring the impact resistance at the knock-outs to be only one fifth of that required for the rest of the cut-out body.

Series 7 no longer uses knock-outs for blanking off the main cable and busbar entries and so completely overcomes the problem. In place of knock-outs, the design incorporates plugs, which can be removed by the joiner only with a special tool, when the carrier is removed (and hence the seal broken). When in position, the plugs are as strong, or stronger than the main body of the cut-out. GEC-Henley has applied for patent protection on the plug design.

The company operates from Gravesend, Kent DA11 9DA, 0474 61466.

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# THE JOBS COLUMN

## Readers' views on 'what makes a manager'

BY MICHAEL DIXON

THIS COLUMN certainly has a highly critical readership, especially on the topic of recruitment consultants. The object of the latest weighty, and on the whole welcome, comment is the article published here a fortnight ago about the research which has shown Boyden International's 60 head-hunters in various countries to be largely consistent in what they look for when selecting people for different kinds of managerial work.

Since it took the entirety of that column to describe the research, I cannot repeat the details now. So suffice it to say that the staff of Boyden's 28 offices were asked to judge the relative importance of various elements which go to make up five main attributes required of successful managers.

These attributes—which the consultants then ranked in order of their importance in each of a range of managerial jobs—were: the abilities to communicate, to administer, to solve problems, and to influence other people; plus the quality of the executive's personal "motivation."

Most of the 40 or so readers who have written or telephoned their comments seemed agreed that these five were indeed the essential foundations of effective management.

As always, however, there was one awkward customer in the squad, who took me to task on two grounds. The first was that the ability to communicate is not a separate attribute, but only one of the elements constituting the ability to influence people. If it wasn't, this customer said, the article I had written would not have made him cross, would it? His second target for sarcasm was the fact that I had quoted the word "motivation" although I had asserted, in two Jobs Columns during May, that nobody knows what motivation is—its being merely a collective term for so far unidentified factors which cause people's work-performance to differ even though their pay, perks and suchlike are the same.

All I can say, Mr. Koch, is that I am touched by your sedulous attention. But I did not design the research. The responsibility for it, including the use of the word "motivation," belongs as was stated to the Rohrer, Hibler, Replige Institute of New York. Nor did I purport to criticise the research. I just described it. So there!

Two other readers had a different reason for dissatisfaction with the RHR Institute's five attributes. It was that they should have been increased to six. This pair of critics did not agree on the term for the necessary extra attribute. One

thought it should be "educability," and the other "humility." But if I may presume to read between their lines, they seemed to be expressing much the same sort of thing.

It was that it is no longer desirable, even if possible, for a manager to try to function as a steady-state superior animal, receiving communications filtering upwards through the hierarchy, making decisions in the light of knowledge and experience already in his or her personal possession, and transmitting the decisions back down the pyramid.

### Too proud

To be effective, managers would, therefore, need more and more to recognise that in some matters essential to their craft, their own and their immediate advisers' knowledge and experience were inferior to those of people farther down the hierarchy. To borrow Mr. Goddard's words: "I am convinced that solutions to problems that create ulcers at the top are in many examples well known to workers at the bottom and could be had off-the-peg by management if it was not too proud to ask, and if the solutions are not there ready-made, then a lot of the knowledge that is needed to work out the solutions could be got by politely asking around on the shopfloor."

So in essence, what this particular pair of readers thought should be added to the five attributes and looked for by the head-hunters, was a concern to improve one's craft by going out and learning from all likely sources, however unconventional, and to ensure that one's supporting staff did the same. As Mr. Brooks put it: "A good manager shouldn't think he's good, but only getting better as time goes by."

Another reader, Mr. Gordon, also called for an addition, not to the list of attributes, but to the constituent elements. These are too numerous to repeat in full but, for example, the "communication" attribute consisted of the skills of listening, of engaging in dialogue as distinct from indulging in monologue, of expression, and of writing. "Administration" consisted of the skills of planning, delegating, and of following-up.

Mr. Gordon thought that one particular thing should be added to the lists of elements making up every one of the five attributes. It was an appropriate sense of humour. He added: "This is important all-round for management. If you take most important of all. It's more important for leadership than the rubbishy things the Boyden people said leadership depended on."

The reference here is to the

element which the head-hunters thought most crucial to influencing other people. The element was leadership, described as "directs the behaviour of others toward the achievement of common goals by charisma, insights or the assertion of will." Which brings us to the main target of the readers' criticism because all but two of them cited the inclusion of "charisma" in that description, as typical of the aspect of the Boyden exercise which offended them.

"According to my dictionary," said Mr. Atkinson, "charisma would be 'favours especially given by God.' We all have some of those, and don't have others. Until every one of the selection consultants can tell me which particular favours they mean, they won't get me to believe that they'd know charisma even if they saw it."

The opposite was felt by Mr. Newman. Charisma was something he thought had undoubtedly been possessed by "Jesus Christ, Hitler, Gandhi and Martin Luther King," but by very few others. "To be sure, the head-hunter would recognise this quality when he saw it, but I fear that a long time before he met someone with real charisma who was being interviewed for a job as a manager."

However, Messrs Atkinson and Newman and almost every-one else were united in think-

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Telephone: 01-499 4111

**Lombard North Central**  
Limited  
Banking-Credit Finance-Leasing  
A member of the National Westminster Bank Group

## Assistant Company Secretary

North London c.£8000 and car

A major UK operating manufacturing and marketing Company based in North London wishes to appoint a Chartered Secretary, aged around 40, with at least 10 years' relevant experience, to act as Assistant to the Company Secretary.

The successful candidate (male or female) will provide assistance to the Secretary on all aspects of his work and will personally act as Secretary to several subsidiary organisations. The Assistant Secretary will also operate as line manager for the management of the Company's properties, insurances and other related activities.

The position carries a company car plus an attractive remuneration and benefits package including relocation expenses where appropriate. Please write, in strictest confidence, enclosing a brief but relevant curriculum vitae to The Confidential Reply Manager, A691, T.G. Scott & Son Ltd., 30-32 Southampton Street, London WC2E 7HR.

## PERSONNEL AND ADMINISTRATION MANAGER

We are an international containership operator with our Divisional Headquarters soon to be located in Knightsbridge. The Company has been long established in Europe and anticipates substantial growth in the foreseeable future.

We require a person to further develop and administer all aspects of European Personnel and Administration. The duties involve policy decisions concerning European personnel matters (including pensions) coupled with company legal and secretarial functions.

Suitable applicants should have a degree in business studies or a professional qualification, working experience in another EEC country and knowledge of European languages would be a distinct advantage. Salary is negotiable, in the five-figure range.

Applications, giving full career history and salary progression will be treated in the strictest confidence and should be addressed to:

Box A.6837, Financial Times  
10 Cannon Street, EC4A 3BY.

## Solicitor for Dubai

We seek a bright enthusiastic young Solicitor to join growing Middle East practice. Applicants should have not less than 18 months post-admittance experience in general commercial law. Some banking (international/domestic) experience an asset. A generous salary will be offered together with accommodation, outgoings, car, good annual leave terms, club membership, insurances, pension scheme, hotel clothing allowance and annual passages. A challenging position to suit an energetic young man anxious to acquire early, diverse experience and responsibility. Please contact Jo Cooper for an application form at Deiton Hall & Burgin on 01-242 1212.

## Non-Executive DIRECTOR

A substantial Retail Group specialising in High Fidelity and Photographic equipment seek to appoint a non-executive director. The ideal candidate would be a recently retired senior executive from a similar retailing field able to attend regular executive and board meetings and to be available for consultation with younger colleagues. Write Box A.6838, Financial Times, 10, Cannon Street, EC4A 3BY.

## GENERAL MANAGER SAUDI ARABIA

Our client is a private owned corporation with diversified interests in Saudi Arabia. To sustain the growth of the company, they require a General Manager with extensive management experience and strong financial background. The ideal candidate would be a recently retired senior executive from a similar retailing field able to attend regular executive and board meetings and to be available for consultation with younger colleagues. Write Box A.6838, Financial Times, 10, Cannon Street, EC4A 3BY.

## SECRETARIAL APPOINTMENTS

**SECRETARY PA £5000**  
4 weeks holiday, flexible hours, 10% bonus  
To work for the Managing Director of prestigious International Company. Confidential work.  
Phone Elizabeth Slade 584 8166.

**PA SECRETARY £6000**  
+ 4 weeks holiday  
Publishing:  
Working for the Chairman keeping diary, making arrangements, very interesting and varied position. Suitable for someone with good skills and plenty of initiative.  
Please phone Elizabeth Slade 584 8166.

**ADMIN. Assistant £5000**  
+ 4 weeks holiday LV's  
To work as an administrative back-up in a small friendly Architects dealing with correspondence, diary and general smooth running of the office.  
Please phone Elizabeth Slade 584 8166.

**SECRETARY PA £5000**  
Oil Company  
To work for the Chairman, should have good organising ability. Excellent working conditions, good prospects for advancement.  
Please phone Elizabeth Slade 584 8166.

**SECRETARY £5000**  
Flexible hours LV's  
Working for the Senior Partner of Property Company, who deal with office and property management in Central London. Superb working conditions, own office.  
Please phone Elizabeth Slade 584 8166.

**ALFRED MARKS STAFF BUREAU**  
62 Brompton Road SW3  
(Opposite Harrods)

## HEAD INTERNATIONAL CREDIT DEPARTMENT

LUXEMBURG C. POUNDS STERLING 30,000 P.A. + moving expenses

— Applicants must have at least five years' experience in the international loan division of a bank established in a leading Euro banking centre. Besides the indispensable professional knowledge of all international credit matters, fluency in English and German is required and a working knowledge of French and Spanish is desirable.

— The post carries a wide degree of personal autonomy and the manager reporting to the managing board of the bank will take total charge of the international credit operations.

— Our bank, established 1967, with total assets of pounds sterling 450 million is an affiliate of Banque Internationale à Luxembourg, Luxembourg, and Hessische Landsbank—Girozentrale, Frankfurt/Main.

Please write in complete confidence to the General Manager of Banque Continentale du Luxembourg S.A., 5 Bd Royal, Luxembourg, giving details of personal and career background.

**YOUNG STOCKBROKERS PARTNERS ASSISTANTS**  
This is a first-class career opportunity within a leading City firm for which you should have good all-round experience of the business. As a senior position it will require a high degree of involvement, from financial meetings through monitoring of the retail index to dealing with the clients. A knowledge of French would be an asset.  
Age 20/25 Salary £4,500 + bonus  
For further details call Mike Stundell-Jones on 01-429 4381  
**PORTMAN RECRUITMENT SERVICES**

**AGENT WANTED**  
to sell diamond grinding wheels—stone saws tooling for established manufacturer. For London and Home Counties.  
Roles in writing to Box A.6834, Financial Times, 10, Cannon Street, EC4A 3BY

## FINANCIAL DIRECTOR

(DESIGNATE)

£10,000 p.a. LEICESTERSHIRE

EMPIRE STONE COMPANY LIMITED, a leading manufacturer of pre-cast concrete and reconstructed stone products, invites applications from suitably qualified accountants to fill this newly created post.

Candidates will need to be Chartered or Certified Accountants or members of the I.C.M.A. and will have had considerable industrial experience including the operation of a job (or contract) costing system.

The salary will commence at £10,000 p.a. and will increase to £12,000 p.a. on appointment to the Board in due course. A car will also be provided.

The company is located at Narborough, near to Leicester, but written applications should be sent to Thornton Baker, Chartered Accountants, 8 West Walk, Leicester, quoting reference G.T.

## ACTUARY—NEW ZEALAND

We require a recently qualified or near qualified actuary for our Auckland, New Zealand, office. Work is varied and involves mostly pension and small life office work for a local consulting actuarial practice. Partnership will be available for the right person after qualifying period. Some consulting experience is desirable and pay will reflect this. Pay will be in range NZ Dollars 15,000 to NZ Dollars 20,000 (about £7,500 to £10,000) and assistance will be given with moving expenses. We will arrange necessary entry permits. Please send curriculum vitae with contact phone number to:

Box A.6836, Financial Times,  
10, Cannon Street, EC4A 3BY.

Interviews conducted July 23rd to 27th in London.

هكمان الأجر

£6,000 accountancy appointments £9,000

Manufacturing & Capital Accounting Manager Greenford c.£8,500

Financial Accountant Sussex c.£7800

Chief Accountant An experienced qualified person is to be appointed as Chief Accountant of the Southern Region of W. & J. Glossop Limited.

APPOINTMENTS Board posts at Tyne Tees TV

Lord Fear of Workington, Opposition Leader in the House of Lords, and Professor Laurence Woodward Martin, vice-chancellor of Newcastle University, have joined the board of TYNE TEES TELEVISION.

NEWLY QUALIFIED-ACA/ACCA CITY up to £7,000 p.a. The Planned Savings Group of Life Assurance Companies requires a newly-qualified Accountant to work in its Finance Department.

COMPANY ACCOUNTANT /SECRETARY Rapid expansion means that we now require a dynamic Accountant to become part of the management team with particular emphasis on financial management and systems development.

MANAGEMENT ACCOUNTANT If you feel you have the qualities to take over the accounting and administration function of our medium Motor Company in North-west London, then we'd like to hear from you.

SENIOR INTERNAL AUDITOR CITY OFFICE OPEN TILL 6 PM DAILY AND THURSDAYS TILL 7 PM WEST END OFFICE LATE OPENING THURSDAYS TILL 2 PM

GENERAL APPOINTMENTS

INVESTMENT ANALYST The Royal Bank of Scotland Limited has vacancies for Analysts to work in its Investment Department based in Edinburgh which, in addition to private portfolios, manages substantial pension and institutional funds.

ARE YOU KEEN TO BE A JOURNALIST? Are you interested in learning the craft of news journalism? You must be ready to learn how to interview people about community affairs and to cover courts, councils and public events of all kinds, developing also a reporter's news sense.

ADVERTISING SALESPERSON Advertising sales knowledge of U.S. financial and business publications. Must be fluent in one foreign language other than French, German preferred.

DOCUMENTARY CREDITS UP TO £5500 A top American Bank requires someone, mid-20s, with at least 2 years' experience of opening letters of Credit.

ASSISTANT MANAGER CREDIT ADMINISTRATOR AGE 25-30 c. £9,000 International bank with London presence, dealing mainly in syndicated loans, seeks a mature, conscientious person with comprehensive credit administration background.

APPPOINTMENTS WANTED DIRECTORSHIP Twenty years varied business experience, qualified accountant in Scotland, Canada and U.S.A. Good business sense, domiciled in U.S.A., presently corporate director of N.Y.S.E. company.

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 10th July, 1979

Table with columns: Job Title, Salary, Location, Advertiser. Includes Management Accountant, Financial Accountant, Financial Controller, etc.

COMPANY NOTICES

OLD COURT DOLLAR COMMODITY TRUST (CDTs) The undersigned announces that the report for the period ended 20th April, 1979, of Old Court Dollar Commodity Trust will be available in Amsterdam at Pierson, Harding & Pierson N.V.

BRITISH STEEL CORPORATION US\$50,000,000 8% PER CENT GUARANTEED BONDS 1989

COMPANHIA METALLURGICA BARBARA CEASER DEPOSITARY RECEIPTS "BDR" ISSUED BY EUROPEAN OVERSEAS ISSUING CORPORATION S.A.

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1968, that a Meeting of the Creditors of the above-named Company will be held on 25th August, 1979, at 12 noon, at the offices of the Insolvency Practitioner, Messrs. J. & J. Morgan, 25 Fenchurch Street, London EC3A 3DF.

ART GALLERIES

ANTONY D'OFFAY, 8, Dorset Street, New Bond Street, London, W.1. Mon.-Fri. 10-5.20. Sat. 10-5.20. Sun. 10-5.20.

The Army Benevolent Fund for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SP

APPOINTMENTS

Mr. D. S. Thompson has been appointed a further director of STEWART WRIGHTSON (NORTH AMERICA).

Structure and Function of the U.S. CAPITAL AND MONEY MARKETS -how they really work.

NEW YORK INSTITUTE OF FINANCE International Association of Banks and Finance Attorneys

# BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

## How can a merchant bank help a private company?

Are you seeking to acquire a profitable business?  
Do you need to increase your overdraft or should you look for an increase in capital?  
GRESHAM TRUST can help. Solving problems like this is our business.  
We are a long established merchant bank who specialise in financing private companies.  
That's why we'll always listen - whatever your requirements. So don't be afraid to write or ring one of our Directors.  
Why don't you do so today?



### Gresham Trust

Where the successful private company feels at home.

Gresham Trust Ltd., Barrington House, Gresham Street, London EC2V 7HE  
Tel: 01-606 6474  
Birmingham Office: Edmund House, Newhall Street, Birmingham B3 3EW  
Tel: 021-236 1277

### AMERICAN REAL ESTATE INVESTMENT OPPORTUNITIES

£30,000 buys you the FREEHOLD to an HOTEL UNIT on the BEACH of the GULF OF MEXICO in FLORIDA.  
Use this for family vacations plus rental income, shows a 10% plus annual return not including capital appreciation. Other business investments in USA plus beautiful new homes: 3 beds, 2 bath, fully fitted kitchens, air-conditioned, swimming pools. From £20,000. Mortgages available. Weekly inspection flights. Details from:  
AMERICAN SUN HOMES, 56 GROSVENOR STREET LONDON W1H 5RF. Tel: 01-488 5851/4

### IBM ELECTRIC TYPEWRITERS

Factory reconditioned and guaranteed by IBM.  
Buy, save up to 20%.  
Lease 3 years from under £5 weekly.  
Rent from £26 per month.  
Tel: 01-641 2365

### GROUP SEEKING EXPANSION WITHIN MARINE INDUSTRY

wishes opportunities to purchase companies in this or closely allied fields.  
Fully including details of any manufacturing facilities for:  
Box G.4028, Financial Times, 10, Cannon Street, EC4P 4BY.

### BUSINESS SALES (NOTTS.) LTD.

42 Goose Gate, Hockley Nottingham NG1 1FF  
2 Large Buses, Lincolnshire, one with 2 acres, good T.O. Prices from £15,000. In-hotel available up to £350,000 throughout the U.K.  
Tel: Nottingham 10823 5299

### If you Own or are Purchasing any type of modern OCEAN-GOING VESSEL

than also management subsidiary of currently Britain's most successful ship-owning group will manage your vessel with the same care and consideration as their own under either British or foreign flag.  
Write Box G.4029, Financial Times, 10 Cannon Street, EC4P 4BY

### NON-EXECUTIVE DIRECTOR

A senior banker and top financial adviser/negotiator will accept a limited number of non-executive directorships with medium sized companies. Offering wide and interesting C.V. contacts and 18 years highly successful track record in return for a small fee. Write Box G.4130, Financial Times, 10, Cannon Street, EC4P 4BY.

### AUSTIN TIPPER TRUCKS AVAILABLE FOR EXPORT

New Austin 800 W/F range 1.6, drive tipper trucks available immediately at a good discount.  
For further details write or Tel. Marketing Director, Profitplan Ltd., 3 Abernethy Street, London W1F. Tel: 01-489 8772

### TELEX SERVICE

is your mail unreliable, are you waiting long for news? Join our service now. 01-548 6677.  
GOLFBALL TYPEWRITERS available to immediate hire, lease or sale. Rings 01-729 2727.

### LECTURER REQUIRED

to give address on 'The Service' - Telephone messages - 'The Service' - London - and give public lecture. Contact: Mrs. J. G. G. 01-548 6677. Write Box G.4131, Financial Times, 10, Cannon Street, EC4P 4BY.

### VENTURE CAPITAL REPORT

at the Mail, Bristol. The report that channels capital to the most profitable and entrepreneurs. ring 0272 37222.

### PHONE MATE

America's best selling telephone directory. Tel. 01-548 6677. Models from £115-£450. European sales and service. Centre 2914, Finsbury Road, N.W.3. Tel: 01-431 0265.  
51 A WEEK FOR EC2 address of phone messages. Contact: 01-548 6677. National: 01-432 0888. Telex: 6811725.

### BUSINESS MANAGEMENT COURSES

THE STEAMROLLER TACTIC  
What is it?  
How do you stop it?  
Our unique course 'Effective Negotiating' at the London Business School on September 13th 1979 will teach you basic negotiating skills (including the answers to the questions above).  
The course is intensive and highly practical. It is specifically designed to produce results.  
Duke Street Courses  
For further details call Judith Hamilton on 01-629 8608/2531 or write to Duke Street Courses Ltd., 57 Duke Street, London W1M 5DH.

## First computerized trainings systems CONDITRONIC and MEDITRONIC for fitness and health

Already more than 100,000 people around the world are training with our system.  
For the English market we are looking for importers, dealers, representatives or an exclusive representative from the branches: Sport, Hobby, Medicine-Technics or other branches.

If you want to invest in your future, please write us today with detailed information about your company or visit us at the EXPO MIDDLE EAST, London, 23 - 27 July 1979 at Grosvenor House Hotel, Booth 63.

### KEIPER dynavit

KEIPER DYNAVIT GmbH & Co., Mannheimer Straße 234-236 D-6750 Kaiserslautern, West-Germany



### CUT EXPORT COSTS

Selected manufacturers are offered a complete export service as a fraction of the cost of an export department. We are a well-established international trading company with our own overseas offices and representatives and are prepared to discuss export market development on a shared-cost basis. Our services, available world-wide or in specific markets, include local representation, the appointment of agents, handling overseas enquiries, quotations and documentation, export finance and credit facilities. For an initial meeting write: Box G.4173, Financial Times, 10, Cannon Street, EC4P 4BY.

### INTERNATIONAL TRADING

A well-known International Trading Company involved in imports, exports, some manufacturing by subsidiaries and joint ventures overseas, is seeking expansion either by way of acquisition, involvement in new territories or by moving further into fields of sophisticated exports or imports in territories where we are already established.  
What we are particularly strong in the Far East with a sizeable but varied portfolio of agencies, areas such as South America and Eastern Europe would be particularly interesting, but this would not preclude any sound business proposals from being considered should they fall outside the above parameters.  
Write Box G.4205, Financial Times, 10, Cannon Street, EC4P 4BY.

### AUTOMOTIVE & MOTORCYCLE PRODUCTS

Slightly ageing entrepreneurial company director doing his own thing (T/O £150,000 plus) seeks two working partners with get up and go, able to invest £15-£30,000 to further develop UK marketing of American-made accessories for cars and motorcycles. Present location west of London. Honest and genuine replies only please. Write Box G.4179, Financial Times, 10, Cannon Street, EC4P 4BY.

### DEVELOPMENT LAND SALES

Should you contemplate selling residential or industrial development land, you will have very substantial Development Land Tax payments to pay. To overcome this, you are invited to write to:  
Box G.4200, Financial Times, 10, Cannon Street, EC4P 4BY.

### NON-TRADED LIMITED COMPANY REQUIRED

Formed before August, 1977.  
OFFICE EQUIPMENT SUPPLIES OR SIMILAR.  
Good price paid.  
Please telephone: 0732-383639

### LESSONS REQUIRED FOR CORPORATE AND PRIVATE

Return, Invest in Leasing through:  
Metropolitan General Trust Co. Ltd., 47 St. Johns Wood Rd., London, N15 7UL. Tel: 01-589 3245

### RISK CAPITAL AVAILABLE FOR DEVELOPMENT OF NEW IDEAS

Write: A.D. INVESTMENTS LTD., P.O. Box 75, Normandy House, St Helier, Jersey.

### SOFT DRINKS DISPENSING

Sole importers of automated ice drink machines, etc., operation of Company involved in co-operation of allied firms to promote new machines. Outstanding success in limited number of outlets ranging from hot drink shops to cinemas.  
Principals: only Write Box G.4182, Financial Times, 10, Cannon St., EC4P 4BY

### WANTED

Light Industrial Premises c. 10,000 sq. ft. Working area. Fast-expanding automotive company will pay good rental and provide considerable subcontract work if required.  
Rapport International Group 01-247 8341

### CAPITAL IDEA?

Have you got a company or an idea which requires capital and export management assistance? It is applied science you believe your plan merits support as a practical and profitable opportunity.  
Write Box G.4184, Financial Times, 10, Cannon Street, London, EC4P 4BY

### MIDDLE EAST

To initiate or expand your business in Fast Moving Consumer Goods in the Middle East and other developing countries. Contact Paul Mannion, Diversal, Marketing Services, Winton Road, Colchester Road, Fleet, Hampshire, Tel: 02514 7608. Commissions invited for next Middle East visit in September.

### TO HER OGD MRS. HUBBARD

CRIO OUT SADV SHOCKED. IT'S ALL EMPTY BEYOND THIS. OLD OODR I THOUGHT LOCKED. FOR REGULAR STOCK HOLDERS. IN FUTURE LIT PHONE. AND THEN IN THE CLIPBOARD. WE MIGHT FIND A BONE. JOHN CHURCHILL & COMPANY. "THE STOCKTAKERS WHO COUNT" 58, Hayes St., Bromley BR7 7HX 01-432 6227

### FOR SALE

Thriving manufacturing operation producing an extensive range of Regency-style furniture for numerous export markets and a range of modern office furniture marketed directly to end users throughout the United Kingdom.  
Trading profitably from its own freehold factory located in the Home Counties, the company has considerable growth potential with excellent labour relations. The company is offered as a going concern with retention of all staff, with the exception of the Managing Director, who is however, prepared to negotiate a separate agreement for his continued involvement over an agreed period of 18 months.  
Interested parties should write to the Group Managing Director, Box G.4201, Financial Times, 10 Cannon Street, EC4P 4BY.

### FINANCE FOR THE DEVELOPING COMPANY

Obtain details of our Factoring and Invoice Discounting Services  
ARBUHNOT FACTORS LTD.  
Breeds Place, Hastings TN34 3AB  
Contact: S. E. Finch Tel: 0424 430824

### RUGBY FOOTBALL UNION

has launched a Debenture Scheme which, through Member Clubs of the Rugby Football Union, will entitle a Debenture holder of each Debenture held to purchase a seat ticket for International matches between International Board countries to be played at Twickenham during the next two years.  
Details can be obtained by application to: The Secretary, RFU, Twickenham, Middlesex TW2 7RQ.

### TROPICAL FRUIT FARMS

We have 3,200 acres of fertile land on the Pacific coast of Costa Rica which we are developing as 12 1/2 acre farms for sale fully planted to Papayas (Pawpaws) or Mangoes. We have sold 25 farms and have 65 more for sale. We provide the management of the farms, and the harvest, storage, and market the produce, and account to the owners for the net proceeds of sale.  
The price for a mango farm is U.S. \$24,500. 10% down and 10% in 12 monthly instalments. The price for a papaya farm is U.S. \$24,500. 10% down and 10% in 12 monthly instalments. The price for a mango and papaya farm is U.S. \$49,000. 10% down and 10% in 12 monthly instalments. The price for a mango and papaya farm is U.S. \$49,000. 10% down and 10% in 12 monthly instalments.  
For further details call 01-723 5851 or write to Box G.4199, Financial Times, 10, Cannon Street, EC4P 4BY.

### MARBLE DEPOSITS

Opportunity to purchase on favourable terms mining claim to extract marble and limestone from deposits in excess of 5 million tons of metamorphosed limestone. Situated on our land on Pacific coast of Costa Rica. Good quality marble, much of it easily accessible for quarrying. Located on the new Pan American Highway within 30 miles of the port of Puntarenas. Geologist's report and maps are available in London. Call 01-723 5851 or write to Box G.4199, Financial Times, 10, Cannon Street, EC4P 4BY.

### FINANCE PROJECT FOR SALE

This project provides a return of between 30% and 40% interest on money invested. Requirements are expected to be £200,000 in the first year rising to £200,000 in the second year. Fully secured. Principals only are invited to contact:  
Box G.4203, Financial Times, 10 Cannon Street, EC4P 4BY.

### PROGRESSIVE RELIABLE UK COMPANY

seeks a partner who already has a sales force calling in the industrial market and selling products required in washrooms and ablutions for an exciting new product now available.  
Write Box D.4098, Financial Times, 10, Cannon Street, EC4P 4BY.

### I COULD MANAGE YOUR BUSINESS

Young 34, with family, motivated by work and reward, wishes to take over a business for sale. Wide experience in retail and wholesale management. Excellent, good references available. opportunity to invest large sum of interest.  
Contact me (Rud Swift) at 0263 82773 (office hours) or 0604 880221 (after 7 pm)

### ESTABLISHED COMPANY

producing and marketing lithographic equipment interested to hear from person with some capital and entrepreneurial talent to assist, not necessarily full time, in developing the business for commensurate financial return.  
Write Box G.4202, Financial Times, 10, Cannon Street, EC4P 4BY.

### HOTELS AND LICENSED PREMISES

**SOUTH OF FRANCE**  
unique offer of 5 year old luxury boutique hotel with 83 covers inside plus 100 covers on terrace beside Mediterranean. Beautiful 200-acre park with 18 holes golf course between Cannes and St. Raphael. Has been operating since 1965. Full management and staff included. Very high turnover. Full licence. 25 year Maritime lease. £150,000 - required for property and business. Willing to exchange for 2/3 share UK Hotel. Personal reference from Barbers Maritime Telephone: 01-230 5115 15 25. France 2.30 p.m. Wed-Sat.

### JERSEY HOTEL FOR SALE

1st Register - Public Bars Swimming Pool - Limited Company 23 Bedrooms - Planning permission for a further 20 Bedrooms and Bar extensions.  
£445,000  
For further details write to: ANTHONY DELANEY & CO. Certified Accountants, 40, Le Motte Street, St. Helier, Jersey.

### CAPITAL GAINS TAX CAPITAL TRANSFER TAX

Arrangements approved by leading Tax Counsel can be made to enable an individual to mitigate CGT and CTT on disposals of shares in close companies or other assets.  
Principals only write in first instance to:  
Managing Director  
PANORAMA SECURITIES LIMITED  
18 Manor Farm Road  
Bitterne Park, Southampton

### £250,000 TO £1,000,000 AVAILABLE

Businessman with experience of oil industry wishes to back or purchase, preferably in association with existing management, one or two businesses within reach of London or Oxford.  
Reply: Box G.4177, Financial Times, 10, Cannon Street, EC4P 4BY.

### ASSEMBLY AND SERVICING FACILITIES

South London Co. specialising in carrying out pre-delivery quality control inspection, assembly and servicing of Electrical and Electronic equipment looking to expand production schedules. Can undertake guarantee responsibility for your products.  
Telephone 01-737 3677

### DEVELOPMENT LAND FLORIDA U.S.A.

Treasure Beach High Profit Project  
325 Acres p.p. 3500+ Units. 6000. Ocean Frontage. No Limit on High Rise Construction. Price - US\$3 million. Cash down - \$1 million. Balance - 5 years - 10% Annual Interest. Building Finance Available. This and other development and investment opportunities contact: D. G. Sherry, Regent House, 10, Cannon Street, EC4P 4BY. Telephone: 01-606 6474

### BETONASFALT CONSTRUCTION COMPANY LTD.

SEEKS U.S.\$3.5 MILLION ADVANCE PAYMENT BANK GUARANTEE LETTER FOR A CONSTRUCTION PROJECT IN LIBYA.  
TELEX: 523601 BETAS D MUNICH - W. GERMANY

### EXPANDING? If you require Plant Equipment or Machinery we will consider support on either a Financial/Operational or Partnership basis.

Write Box G.4188, Financial Times, 10, Cannon Street, EC4P 4BY.

### BUILDERS SYSTEMS

European contractors and builders systems manufacturers with established UK base, wishes to locate building companies who seek diversification into modern steel and other development and investment opportunities. To create either a joint venture or establish manufacturing contacts and liaisons.  
Principals only write to: Box G.4137, Financial Times, 10, Cannon Street, EC4P 4BY

### BUSINESSES FOR SALE

FOR SALE  
SMALL WELL-KNOWN PUBLISHING COMPANY  
Publishing a quarterly bankers and economic review for subscription. The company, originally established by a well-known bank, now has subscribers in over 60 countries including all the major world companies.  
A PRICE OF £20,000 IS SOUGHT FOR THE SALE OF THE GOODWILL AND STOCK  
Enquiries to Box G.4189, Financial Times, Brackley House, 10 Cannon Street, London EC4P 4BY

### FOR SALE

INTERNATIONAL RECRUITMENT CONSULTANCY COMPANY  
With established clientele. Files held on approx. 10,000 professional applicants. Company has been engaged mainly in the fields of engineering, accountancy and banking. Excellent basis for expansion.  
Loss of working director forces sale.  
OFFERS SOUGHT IN THE REGION OF £10,000  
Enquiries to Box G.4190, Financial Times, Brackley House, 10 Cannon Street, London EC4P 4BY

### FOR SALE

MAJOR STEEL STOCKHOLDER  
A well-established private company based in the Midlands with a turnover in the region of £4.5m. Further details will be provided to interested parties.  
Box G.4197  
Financial Times, Cannon Street, London EC4P 4BY

### PRECISION ENGINEERS AND FABRICATORS

Scourbridge, West Midlands  
For sale a going concern: 20 employees; turnover about £800,000 per annum; excellent range of precision machines.  
Details from:  
F. Lockett Esq.  
Thomson McIntock & Co.  
5 St. Philip's Place,  
Birmingham B3 2PU  
Telephone: 021-236 7991

### FOR SALE

A LIGHT ENGINEERING CONCERN  
Specialising in the manufacture of automotive parts for passenger and commercial vehicles. For sale a going concern. Turnover in the region of £500,000 per annum. Full range of precision machinery. Excellent working conditions. Full factory complete workshop and office accommodation.  
Location West Midlands.  
For full details write Box G.4185, Financial Times, 10 Cannon Street, EC4P 4BY

### FOR SALE

SEVEN MANAGERS AND CONSULTANTS WITH LIMITED PRIVATE LIMITED TRADING COMPANY  
Turnover £14 million in highly diversified business. Excellent working conditions. Full factory complete workshop and office accommodation. Full factory complete workshop and office accommodation.  
For full details write Box G.4204, Financial Times, 10, Cannon Street, EC4P 4BY

### REPRODUCTION FURNITURE BUSINESS FOR SALE

NORTH WEST AREA  
Due to rationalisation of Group Holding Company.  
Write Box G.4191, Financial Times, 10 Cannon Street, EC4P 4BY

### BEER CANNING PLANT

300-cph  
Completely reconditioned installation available. Perfect turnkey opportunity. Canteen manufacturing plant and equipment available.  
Tel: (0363) 3060/2991  
Telex: 87760

### BOILER MAKERS

Manufacturers and Distributors of Boilers, Cast Irons, Inducts Old and New. Excellent working conditions. Full factory complete workshop and office accommodation. Full factory complete workshop and office accommodation.  
For full details write Box G.4192, Financial Times, 10 Cannon Street, EC4P 4BY

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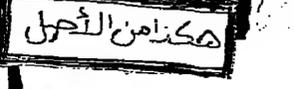
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### FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER



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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Why General Motors is willing to pay the Price of good works

Kenneth Gooding talks to GM's new director of social action

BOB PRICE, the American chairman and managing director of Vauxhall Motors for the past five years and the man identified with its recovery, is to become General Motors first director of international social action.

He takes up his duties on August 1 based in Detroit, GM's world headquarters. The move emphasises once again that GM has been rapidly changing its public image over the past five years, while at the same time turning much more serious attention to its operation outside the U.S.

But the appointment mainly springs from Mr. Price's own determination, and the fact that he has been able to convince the GM board that international philanthropy needs to be properly organised and co-ordinated.

He has long held the conviction that corporations and industry generally have got to get more directly involved in the human and social problems of the communities in which they operate.

He says that as far as the industrialised countries are concerned, there is a tendency for people to assume that "they" — government authorities or independent agencies — are taking care of problem areas such as health, ageing, housing, education and so on.

Swamped But they are being swamped and need a hell of a lot of help. "Industry as the wealth creator should come forward with well-considered programmes."

the productivity of the corporation should improve, profits should rise and enable the corporation to plough more resources into social programmes.

Mr. Price first became interested in the subject of the corporation's role in the community in 1973. By 1975 he had decided that he wanted to devote all his time to the development and implementation of social programmes worldwide for GM. But he was not sure he could achieve very much without a power base to work from.

For this reason he went after the Vauxhall job. It was a natural step in his progression through the GM hierarchy and he recalls "the challenge of turning round Vauxhall was too much to go for after 33 years in the industry. Mind you, there was not a long queue of people wanting the job."

He was able to set up some interesting "social action" projects after his arrival at Vauxhall but there was a great deal of other work to be done before the company was back in the black, to the modest tune of a £2m net profit last year. But it was Vauxhall's first profit since 1971 and in 1974 the losses had reached £18m.

This is not the first time Mr. Price has been associated with a spectacular recovery programme. He helped steer GM's South African business from losses into a \$25m profit in three years.

So it is not surprising that the GM board is beginning to believe that the social action projects have played some part in the recovery and are now willing to allow him to work full-time on this aspect of an international scale — anywhere where GM operates or is thinking of setting up operations.

has its own individual set of problems and it is up to the corporation to draw up a list of priorities in a business-like way. It must be ready to deal with special pleading from those who have personal reasons for advancing the cause of one particular project. But discussions with the agencies and government authorities most closely involved usually result in "the number one priority being shuffled quickly to the top of the deck."

In South Africa the main problem was local bonding. The agency responsible for providing homes was 12,000 in arrears. GM stepped in with financial aid and other help which enabled the programme to be speeded up in the area from which it was drawing many of its employees.

Ravages At Vauxhall in the UK the problems of the old jumped to the top of the priority list, particularly the difficulties of elderly people on fixed incomes attempting to deal with the ravages of steep inflation in the mid-1970s.

Mr. Price recalls the advice he received at the outset from Group Captain Leonard Cheshire, founder of the Cheshire Foundation Homes which help the disabled in 35 countries. "Before you set out to save the world, see what is going on in your own back yard. What are you doing about your own pensioners?"

Group Captain Cheshire also advised: "Start small. Do something you can continue — don't plunge in with something big and then withdraw."

As it happens, Bob Price introduced a programme of assistance started by a team of 33 volunteers who found that around 600 of Vauxhall's 6,000 pensioners were in dire need. "The volunteers go round visiting, dropping off some coal, putting in phones, filling in forms for those who don't know how to apply for social security payments or have been too proud to apply. They take a professional look around the fridge and around the kitchen."



Bob Price, with a programme of social action in mind, against a background of GM cars

It's surprising what that can tell you," says Mr. Price. Some of his volunteer workers came from among the 6,500 Vauxhall employees who took voluntary redundancy or early retirement as Mr. Price reduced the Vauxhall workforce in the 18 months after he arrived.

Vauxhall also raised pensions by about 30 per cent for most people. As an additional step, the company, its employees and dealers have raised money for research into ageing — why do some people look 90 when they are 60? Why are some of those who are helping pensioners older than the people they are helping, but are more active? Some £30,000 has been raised equally

by Vauxhall, the employees and dealers. Other projects have involved help for Stoke Mandeville Hospital, mainly by way of Vauxhall's apprentices and workshops providing ideas and components for equipment to help the disabled patients lead more normal lives.

And coping up is help for a research scheme into the broader problems associated with being mentally handicapped. How can the victim's skills best be developed? How can their families best cope with the difficulties?

While all this has been going on there has not been one single Press release about the social action programme from Vaux-

hall and no attempt by the company to make public relations capital from it.

"You could make a terrible mistake in talking about what you hope to achieve before you have achieved it. In any case, there is much more impact if independent people tell others about what you are doing."

Mr. Price insists, however, that there is "tremendous commercial payback" in social action projects but only in the longer term. And GM has methods of measuring the payback.

But what did GM gain from helping the Vauxhall pensioners?

Mr. Price is sure that employees and unions took a more responsible attitude in all discussions about Vauxhall's future "because they understood that the social action projects depended to some extent on the company's results. Union people were involved in the projects and interested in them."

"I am sure we have a better relationship with our current employees because they feel they will not simply be forgotten when they retire. This has helped give us a more stable workforce."

When he takes up his new post Mr. Price will spend a great deal of time travelling in the first year or so. He intends to visit GM plants in Asia, Latin America and Africa to talk to local management, local authorities and agencies about the kind of social action programmes that might be required. He has spent 17 of the past 23 years away from the U.S., mainly in Europe and he feels better acquainted with the requirements of that part of the world.

He recognises that there are some governments which might object, say they don't want GM's help — perhaps for reasons of pride — or that GM might be accused of paternalism.

And he says that if social problems are really to be solved, it must be by cumulative effort. Other industries, other businesses will have to get involved. "But I want GM to be to the forefront."

Tailoring technical graduates to suit the company

BY A CORRESPONDENT

DETAILED PLANS for two new schemes aimed at improving the performance of science and engineering graduates in British industry are now being finalised by the Science Research Council. The SRC is confident that both schemes, which will be experimental and based on part-time studies, will go ahead despite the current education spending cuts and the fact that the Department of Education and Science has not yet approved them.

technological topping-up, the Open University — with its experience of popular presentation of material — may be asked to instruct managers who might be alienated by a drier, academic approach.

The first scheme, to be known as graduate initial education, will take the form of an apprenticeship package which will follow newly-qualified science and engineering students into industry over a two or three-year period. Through systems of tutorials, demonstrations and company-based projects, it will help shape their performance to the specific needs of firms.

The two projects are known to be the particular favourites of Sir Geoffrey Allen, the SRC chairman, and stem from a study commissioned by the council 18 months ago on the attitudes of employers, universities and students to present part-time study in higher education.

Briefing on financial and marketing aspects of the company's industry will be included, as well as more obvious "engineering" topics like design, together with more specific specialisations, such as working with particular high-speed tests.

Package In the case of the graduate initial education scheme, the SRC is now holding talks with companies in the mechanical, electrical and automotive sectors and it is expected that a first experimental package, costing about £100,000, will be ready for an intake of students in October, 1980. Instruction will cover such topics as new technologies, management studies and accountancy and will be directed to the requirements of companies in selected industrial sectors.

The second programme will consist of technological topping-up education for science and engineering graduates with five or ten years' practice in industry and who require up-dated instruction on new technological developments.

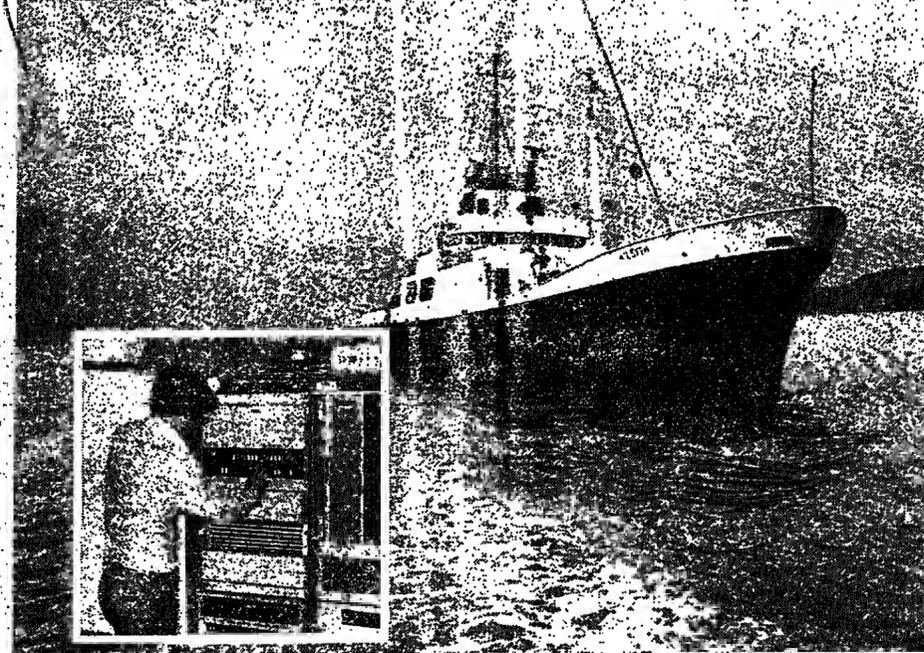
Although many large companies already provide sophisticated training schemes for graduates, many smaller firms are considered to have inadequate arrangements. This problem could become critical if the Finniston Committee, now considering ways of improving Britain's manufacturing industry, recommends registration for all engineers to ensure minimum professional standards. Engineering graduates in these smaller communities could then be at a severe disadvantage without the support of something like the SRC scheme.

Alienated

For instance, many managers with this sort of background had educations which covered only transistor electronics, so they have little knowledge of modern solid state physics and are reluctant to work with today's complex microelectronic technologies: the SRC scheme will aim to overcome this.

Plans for the topping-up programme are still at a rudimentary stage; more details of industry's requirements are needed before the scheme can be implemented. The SRC hopes companies will pay the full salaries of employees involved in the projects, but it may be ordered to pay some bursaries for the students.

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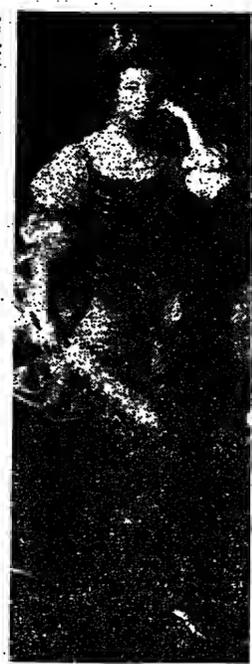
Handwritten note: "John Singer Sargent"

Kenwood/National Portrait Gallery

Portraits of society by DAVID PIPER

At Kenwood until September 30 (and n.b. open daily to 7 pm) Thomas Hudson 1701-1779. As the National Portrait Gallery until September 9...

It is important indeed, demonstrating not only the development of Hudson's style as never managed before, but revealing also subtleties of characterisation that one has not previously associated with him...



The Duchess of Ancaster by Thomas Hudson, and Mrs. Carl Meyer and her Children by J. S. Sargent

Hudson's is his first ever man show. He is remembered generally, if at all, as Sir Joshua Reynolds's master and as a contributor to the mid-18th century, indicating thereby that the style of the object in question is bland, formal and conventional.

Sargent, 150 years on, seems to share his predecessor's confidence in the society of the society in which he lived and whose upper ranks he too portrayed. Both Hudson and Sargent abide within the genealogy of a dominant strain in English portraiture...

though quite aware of the Impressionist and Neo-Impressionist work going on in France (the painted Monet), his artistic accosters in his essentially total paintings are rather Van Dyck, Hals and Manet, but above all Velasquez.

John Singer Sargent and the Edwardian Age, with excellent catalogue by James Lomax and Richard Ormond, inaugurates the new temporary exhibition area in the National Portrait Gallery proper (ie, not in the extension at Carlton House Terrace)...

Expectations of meticulous and polished detailing of splendid expensive costume, male or female, may well be met: the sitters will be posed fairly stiffly within an elegant decorum, the ladies as if constrained by a backboard. Confidence that individual features, as the likeness would have been recognisable to contemporaries, though somewhat generalised, is probably justified, but there will be none of that dramatic production (in the theatrical sense) also of individual character—of mood, and temperament expressed physically, often in pose of body—as in facial expression—with which Hudson's pupil Reynolds was to substitute English portraiture back into life.

Reynolds's portraits are most professionally competent, rich in colour, the world they reflect is untroubled by doubt, the pretensions of the sitters (the artist has almost none) apparently unassailable as they gaze with benign complacency and self-satisfied attention. If individually they might not endure for ever, surely the social order in which they abide is eternal.

Occasionally, when he was bored, you may catch his hand performing with an automatic slickness the office that Hudson's draughty painters performed for him, but generally the astonishing and fresh virtuosity of technique is everywhere apparent, in the swift watercolours no less where he could seize the moment on the wing. He was a master of the impression, yet

the Lyric Theatre Hammer-smith reopens on October 18 with a new production of Shaw's You never can tell, directed by David Giles and starring Peter Egan, Paul Rogers, Sian Phillips and Frank Middlemass. Once inside the auditorium the new Lyric is identical to Frank Mattham's design of 1895 which was knocked down, despite strong protests, in 1972.

Glyndebourne

La fedeltà premiata by RONALD CRICHTON

Sooner or later Glyndebourne was bound to dip into the big-bran tub of Haydn's operas. While these were being rediscovered and tried out at other festivals, Glyndebourne was busy in other fields. So Haydn had to wait—though he is one of the greatest composers he was not a great musical dramatist like Monteverdi or a born opera man like Cavalli.



Julia Hamari

Success came in spite of a wait of another kind. The performance started (and ended) late because some of the audience were delayed by fire on the line—a forest fire, as one railway official described it, on doubt unconsciously under the spell of a sylvan opera. There was plenty of time to reflect that though Haydn had reason to regret the isolation of Esterháza, where he worked for so long and where he wrote most of his numerous operas, at least the place was not served by British Rail.

John Cox stages the imbroglione in settings by Hugh Casson. In Esterháza, the opera effect has been to present time and place—one of Sir Hugh's romantic backcloths shows a baroque palace at the end of a vista, another leads the eye down a broad grass ride to a curve of woodland on the horizon. The opera effect has been to present time and place—one of Sir Hugh's romantic backcloths shows a baroque palace at the end of a vista, another leads the eye down a broad grass ride to a curve of woodland on the horizon.

though the dressing-up element was certainly one way of presenting the sequence of fantastic events, including an invasion of satyrs, bears, hoar and other wild life.

Neither Haydn nor his librettist could draw characters in three dimensions. Not even Mozart had done that yet (La fedeltà was written about the same time as Idomeneo but is nearer the slightly earlier Lo fuo giardiniera), though he was soon to do so. But they reach two dimensions. Often in La fedeltà one sees what happens when a great composer sets a comic libretto of this type and depth of feeling with powerful musical invention to produce unexpected ambiguity. To take the most striking example in a score packed with marvellous if not ideally theatrical music, the producer pretends to make us mock at Celia dressed as the daintiest of Invelina shepherdesses or at the outrageous Amarantha, who wants to be the prettiest and wisest woman in the party and steal the best and most important males as well, but the flood of revealing, eloquent music Haydn gives them compels sympathy. Many of the arias are short and effective in a way Mozart did not master for some time to come.

There is a ballet, choreographed by Terry Gilbert, rather untidily romped through on Sunday. This is an interpolation, justifiable since overall form is not one of Lo Fedeltà's strong points, but mistakenly including a repeat of the overture, which is the same as the finale of the La Chasse Symphony—there must be dozens of other hunting-pieces by Haydn from those years. There are one or two arias not in the Universal Edition score or the Philips recording. They didn't seem essential additions, but such things can be sorted out at future revivals. Read the (Italian-English) libretto available at Glyndebourne, but be warned that it is not entirely the same. As for the records, better leave them till afterwards, for Haydn's music without the stage action can give a quite different impression. At a later stage (the recording is a good one), they will give much pleasure.

With this production, the first entirely new opera presentation he has conducted in this house, Haitink takes his place with Busch and Gui as one of the big ones of Glyndebourne. His Haydn is lithe and lively with depth as well as surface sparkle, the darker moods married with admirable surpuss to the high spirits. Haydn's points of colour are not crudely underlined, but they tell. The London Philharmonic horns (the Prince and Haydn chose their players with care) had a field day. Ravishing solos fell from the woodwind, and for this occasion the strings sounded as warm as if they were Haydn's own players in the theatre at Esterháza.

The complicated details of the plot are decorations on a central situation both simple and comically fruitful. The scene is ancient Cumae. One of Diana's nymphs has lapsed from virtue. The chaste Goddess of the hunting has decreed in her wrath that each year a pair of faithful lovers shall be sacrificed to a monster. Needless to say the curse has the opposite effect to the one intended—fidelity and by inference chastity are actively discouraged. All the principal characters are on thought, helped very much.

The tenor roles, Amarantha's brother Lindoro and faithful shepherd Fileno are given to James Atherton (first time in England) and Max-René Cosetti, who is developing into a sensitive useful light tenor. Their costumes are too similar—

Festival Hall

Andrei Gavrilov by DOMINIC GILL

Five years ago, when he was only 19, Andrei Gavrilov won first prize at the Chaikovsky Piano Competition in Moscow. From his records and concert appearances since, we know him to be a prodigious, if somewhat erratic, talent. He is still very young; and we are all inclined to treat youthful high spirits with a mixture of envy and indulgence.

But Gavrilov's performance of the complete set of 12 Etudes op. 25 which went to make up the first half of his all-Chopin recital on Sunday afternoon was for the most part so weird, and so careless, and at its worst so indescribably vulgar, that all the usual allowances for "youthful waywardness" were pushed to their limits, and beyond.

minor Etude was only musical—the big melody thrashed out like a syrupy Russian hit-tune. Gavrilov was in a more serious frame of mind when he returned after the interval with the D flat Nocturne—just the piece for his pretty piano—and the B flat minor sonata. In the sonata's first movement there were fine things, much urgency and fire; and far less pedal-blurring, which showed us how he could use the instrument if he tried. He made the usual mistake of repeating the exposition only from the doppio movimento double-bar, instead of going right back to the Grave fonghbar introduction—how many pianists without the slightest authority from the score, thus omit at a stroke that wonderful modulation (only at its second appearance recognised for what it is) from D flat to B flat minor!

Gavrilov's recipe for the Etudes was in any case an uncomfortable one, and unlikely to succeed: play all as fast as possible (and if possible, faster); at the fastest, keep the sustaining pedal firmly down; mix well with sugar-candy rubato—and shake up with a repertoire of oddball emphases and quirks ranging from the maddening (but intriguing) to the plain silly.

Only part of the blame can be put on the instrument. Gavrilov seemed to be using one of the softer-centred Steinways that have little brilliance or glitter in any of the registers, but unfailingly even when stamped on hard, make a beautiful sound. All the more important then that he should have kept scrupulously away from the pedal, and have taken every opportunity to sharpen the texture—did he really listen to, and like, while he was playing, the mush of notes he conjured from the B minor octave Etude? The D flat Etude in sixths was even technically clumsy, blurred by pedalling and express-train speed almost out of recognition. But the clumsiness of the last, grand C

main theatre there will be three Sunday night celebrity recitals: The Muses Combined, with Princess Grace of Monaco among others; He and She, with Frank Muir and Dorothy Tutin; and the Story of the Lyric, featuring Paul Scofield, who will also speak the prologue on the first evening. Although administered by a Trust, the Lyric is greatly helped by a subsidy of £320,000 from Hammersmith Council, which rebuilt the theatre at a cost of £2.2m. The GLC has provided a small guarantee against loss but the bulk of revenue will come from ticket sales. The only problem with the Lyric is that it is within a few hundred yards of the successful Riverside Studios, which also looks to the local council for substantial financial aid.

Old Lyric in new guise

The Lyric Theatre Hammer-smith reopens on October 18 with a new production of Shaw's You never can tell, directed by David Giles and starring Peter Egan, Paul Rogers, Sian Phillips and Frank Middlemass. Once inside the auditorium the new Lyric is identical to Frank Mattham's design of 1895 which was knocked down, despite strong protests, in 1972. In fact the theatre is incorporated inside a modern and much less attractive redevelopment scheme.

The contrast between the brutalist exterior of the Lyric and the Victorian interior is striking although the contemporary facilities, in terms of bars, ease the transition. Every effort was made to build an exact replica of the early Lyric, which with its 537 seats on three levels, offers an intimacy quite beyond the powers of modern

theatrical design. However the back-stage facilities are commendably modern. The artistic administrator Bill Thomey who was at Edinburgh see the Lyric as a London theatre, albeit a west London one, rather than a feed for the West End or a try out venue. The first six month season offers Hay Fever and The Wild Duck as well as the Shaw, and there will be a British premiere of Waiting for the Parade by the Canadian writer John Murrell and a pantomime, Aladdin, written by Sandy Wilson.

First shown at Leeds, the show is scheduled to transfer to Detroit.

One advantage of the redevelopment scheme is the opportunity it has provided for an adjacent studio theatre which opens on October 24 with Fenella Fielding's chortle theatre entertainment, Fenella and Friends. It is followed by the London premiere of Londmarks, by Niel Darke. In the

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Tuesday July 17 1979

## A battle on many fronts

PRESIDENT Carter, in a long-awaited display of leadership and determination, has declared that the U.S. will never allow oil imports to exceed the 1977 level of 8.5m barrels a day and that imports will be reduced to about 4m barrels a day by 1990. None can doubt the sincerity of the President's commitment or the force of his appeal to the American people, but for the rest of the world what matters are the practical questions—what are the goals realistic, will the measures proposed by President Carter be sufficient to achieve them, is there the political will to carry them through? Some scepticism is inevitable when one recalls the fate of President Carter's earlier declaration of war on the energy crisis and of President Nixon's Project Independence, proclaimed five years ago.

**Optimistic**  
Amid the general criticism of American greed and President Carter's indecisiveness, the magnitude of the problem facing the U.S. is sometimes underestimated. The starting point is the recent prediction by the Energy Department that even reasonably optimistic forecasts of supplies of domestic oil, natural gas, coal and nuclear energy, oil imports are likely to rise from 8.5m barrels a day in 1977 to around 14m barrels by the late 1980's.

The scope for policy changes which will dramatically alter these projections is limited. President Carter is planning some hope and an increase in coal supplies, especially to the utilities, but the Energy Department's projection already assumed a substantial growth in coal's contribution (from the equivalent of 7m to 12m barrels a day). Even if the proposed Energy Mobilisation Board clears away some of the environmental obstacles which have held back investment in coal, it is hard to see much improvement on the Energy Department's figures within the ten-year time-scale which President Carter is using.

The President's failure to mention nuclear power in his address to the nation on Sunday night was disappointing, but he did say in Kansas City yesterday that nuclear power must play an important role in ensuring America's energy future. If this lukewarm endorsement implies a desire to reduce the time needed to plan and build nuclear power stations, so much the better, but here again the benefits of accelerated investment in nuclear energy are not likely to be seen until the 1990's.

## A fresh start in Strasbourg

JULY 17, 1979, could turn out to be an important date in European history. Unfortunately, as with all such pronouncements in recent years, one has to add the immediate qualification: "but then again, it may not." With today's opening of the first session of the directly elected European Parliament in Strasbourg, the European Community is setting out on uncharted waters. The impact that the Parliament's new status will have on the course of European integration is unlikely to be known for some time. The answer is in the hands of the 410 newly-elected European Parliamentarians, many of whom, particularly in the case of the British members, have little or no political experience.

**Influence**  
There are at least two schools of thought about how the European MPs (or MEPs) should set about their task. The first, which is probably the majority view, is that they should try to make the best use of the powers the Parliament already has and seek greater influence over Community decisions without deliberately rocking the boat. The second is that they should go all out for greater power, without scrinking from a major confrontation with national Governments if that becomes unavoidable. In practice, they are unlikely to succeed with the former approach unless they make it quite clear they are holding the latter in reserve.

The MEPs are in a good position to take the initiative if they want to. The new European Monetary System has, so far, stood up to the strains on it, but national Governments are on the whole short of fresh ideas about the further development of the Community—or the reform of existing policies, such as the Common Agricultural Policy, that are clearly going wrong. If the directly elected Parliament wants to make its mark, it must lose no time in convincing the Community's two other main institutions, the Commission and the Council of Ministers, that it is a different animal from its indirectly elected predecessor.

There is some scope for stimulating domestic oil and gas production through price deregulation: the proposed windfall profits tax should not be so punitive as to discourage new exploration and development. But even if the incentives are adequate, the U.S. will be hard pressed to maintain oil and gas production at the present level.

Thus any programme to reduce U.S. dependence on imported oil must have to involve unconventional sources of energy and, of course, conservation. President Carter has proposed the creation of an Energy Security Corporation which will invest in alternative energy sources, including oil shale, gasohol from plants and coal liquefaction. This is a sensible decision which should have been taken some years ago, but the President may be optimistic in suggesting that 2.5m barrels of imported oil can be replaced by synthetic fuels as early as 1990.

**Incentives**  
There are possibilities, too, in solar power, which the President hopes will provide 20 per cent of the country's energy by the year 2000. The most promising avenue seems to be not the large, high-technology projects which could create severe environmental problems, but the application of solar heating to new and existing buildings. The task for the Administration is to devise the incentives and organisation which will exploit this potential.

The same applies even more strongly to conservation, particularly the improvement of thermal efficiency in buildings. As a recent study by Harvard Business School researchers has pointed out, conservation has not been a high priority in the way that coal, oil and nuclear do. Increased conservation requires decentralised decisions by many thousands of businesses and households. To influence these decisions there will need to be a carefully designed mixture of realistic energy prices, incentives, subsidies, regulation and information.

Changing the pattern of America's energy consumption is not comparable to putting a man on the moon. Although some of the managerial and technical skills used in that programme will be needed, the organisational problems are much more difficult. It is a battle on many fronts and no potential source of energy can be ignored. But it is the behaviour of the individual energy consumer which will be crucial.

## A confession, and a sermon, to Americans

### ON THE PROBLEMS . . .

"It is clear that the true problems of our nation are much deeper . . . than gasoline lines or energy shortages, deeper even than inflation or recession . . . All the legislation in the world can't fix what's wrong with America."

"I want to talk to you . . . about a fundamental threat to American democracy . . . it is a crisis of confidence . . . that strikes at the very heart, soul and spirit of our national will. We can see this crisis in the growing doubt about the meaning of our own lives and in the loss of a unity of purpose for our nation. The erosion of our confidence in the future is threatening to destroy the social and the political fabric of America."

"Washington DC has become an island. The gap between our citizens and our government has never been so wide."

"What you see too often in Washington . . . is a system of government that seems incapable of action . . . a Congress twisted and pulled in every direction by hundreds of well-financed and powerful special interests."

### ... AND THEIR SOLUTION

"We are at a turning point in our history . . . energy will be the immediate test of our ability to unite this nation. It can also be the standard around which we rally. On the battlefield of energy we can win for our nation a new confidence."

"We can manage the short-term shortages more effectively and we will. But there are no short-term solutions to our long-range problems. There is simply no way to avoid sacrifice."

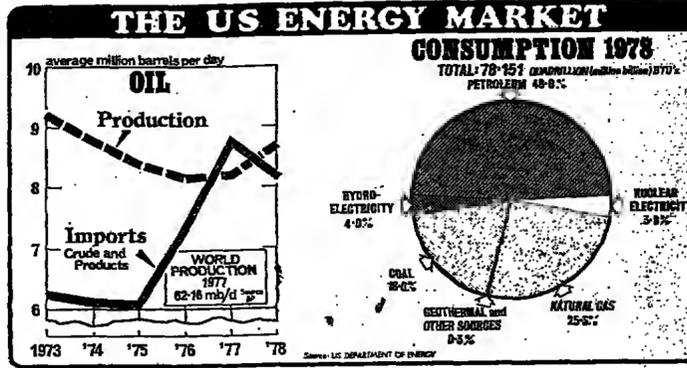
"Just as the search for solutions to our energy shortages has led us to a new awareness of our



... nation's deeper problems, so our willingness to work for those solutions in energy can strengthen us to attack those deeper problems."

## Carter: crusader at the cross-roads

BY JUREK MARTIN, U.S. Editor



**H**EADS of State have different ways of working their will on the public. Among recent American Presidents, Richard Nixon employed public pieties and private espionage; Lyndon Johnson, until Vietnam undid him, twisted arms until they hurt; John Kennedy relied on charm and the inspiration of vigorous youth. But surely no President before Jimmy Carter and few, if any, major national leaders elsewhere in the world, have had such recourse to self-criticism, almost to the point of self-facellation, in order to set a oafion, and a Presidency, on a new course.

It is quite clear that no single speech, not even one as extraordinary as the one delivered by Mr. Carter to the nation on Sunday night, can by itself salvage a faltering political career or instantly induce a new spirit of energy consciousness in a nation long accustomed to profligacy. Such changes can be wrought only by the consistent application of policies over long, tough months and years—the sort of practical follow-through at which this President has been so defective over the last 30 months. The U.S. has been introspective for too long now to be awakened from its deep sleep overnight.

But what Jimmy Carter did offer on Sunday night was a fascinating mixture of the old and the new which could have profound political, economic and social consequences. The old was the attempt to invoke once again the unique fires kindled in 1976, when, as an obscure southern governor and peanut farmer, he managed to persuade enough Americans that their government ought to be no better than themselves, and that there should be a relationship of trust between Government and people—a direct line of communication, as it were. His remarkable admissions of fallibility, his confession that he had become a mere manager not a leader, that he had become isolated when, as public sentiment by the institutionalised rigours of Washington, all were richly redolent of those early primaries three years ago, when he put the political establishment to the sword using the same magic formula.

Old, too, was his appeal to traditional American values and confidence—the known

national ability to respond dramatically to calls for action which transcended the petty, it, crass materialism. "We have learned," he said from his pulpit, "that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose." Much as John Kennedy inspired the country to put a man on the moon in ten years, so Jimmy Carter, speaking directly to the living rooms of the nation and not to its political and other representatives, was endeavouring to elicit a similar response. The new Jimmy Carter lay essentially in the tone he adopted throughout his address. Clothed students of the President have long thought that though not a naturally distinguished orator, he is capable of impressive performances when deeply wrapped up in his subject; that was true of his first energy speech of April, 1977: of his moving address to the Israeli Knesset in March this year and again, palpably so, on Sunday night. For 11 remarkable days he had been closeted in Camp David, conferring with the great and small, experts and outsiders, seeking more to find out what was wrong with the country than formulating narrow and particular solutions. He cancelled his original energy address set for July 5, simply because he concluded that another technical exposition would no longer serve the needs of the nation and probably would be ignored or picked to pieces by a disen-

chanted establishment, or both. Apparently drawing strength from this unprecedented presidential experience—during which time cynical Washington occasionally buzzed with rumours that he had taken leave of his senses—he came across with a new firmness: the sing-song Southern cadence, the complex sentences containing innumerable subordinate clauses, the almost deferential manner—all were replaced with strong, emphatic and even strident tones. He clenched and pounded his fists and the crisp, staccato manner of his delivery when he enumerated his six-point energy plan almost succeeded in disguising the fact that he was proposing to import quotas—except that was either new or not in train already. Even hardened Washington commentators yesterday morning had to confess they were impressed. Indeed, it was the manner of Mr. Carter's presentation, rather than what he actually proposed, which was captivating the nation yesterday. Yet the reactions from precisely those partisan interest groups against which the President inveighed all served to demonstrate that direct appeals to the people over the heads of political and private institutions do not necessarily work. Congress is not without doubt, as Mr. Carter said, "twisted and pulled in every direction by hundreds of well-financed and powerful special interests," with every extreme position defended to

the last vote, almost to the last breath, by one unyielding group or another." But that, as the President well knows, is American democracy as currently practised. Thus yesterday morning found the following: Conservatives, particularly Republican presidential contenders, were complaining that in ignoring the free market mechanism by not dismantling federal energy price controls immediately, Mr. Carter had made a fundamental mistake. Both supporters and opponents of nuclear power were declaring themselves deeply suspicious of his conspicuous omission of any reference to this power source. And environmentalists were proclaiming themselves to be agast that the proposed Energy Mobilisation Board will "short circuit bureaucratic and legal processes and were promising to challenge such authority in the courts." Leaders in New England, where the first presidential primaries will be held next year, have been quick to point out that this region is more heavily dependent on imported oil than any other and thus will suffer most from any imposition of import quotas unless the government comes up with a way of sharing the burden more equally. The oil industry immediately took exception to Mr. Carter's renewed insistence that Congress enact a tough windfall profits tax: more generally, there was criticism that Mr. Carter did not address himself

specifically to the parlous state of the economy, now apparently in the throes of a recession. The special interest lobby is familiar and has been a persistent thorn in Mr. Carter's side. It is safe to say that congressional attitudes have been changed by the early summer queues at the petrol pumps: it is likely that the President will get the standby petrol rationing authority that Congress dealt with in the spring, plus some synthetic fuels legislation. But it is also worth noting that he is seeking to arouse public support for his initiatives at a time when the petrol queues are disappearing, and when Americans have begun again to drive more and use public transport less. The summer, as all politicians ever know, is not the best time to launch a crusade. Putting it crudely, special interest groups are quite capable of riding Mr. Carter's early punches and waiting for more favourable times to work their will—which is why, summer or no, the President may have to pound his energy message home relentlessly.

### Fear among advisers

Moreover, all eyes will be on the public opinion polls. It has been Mr. Carter's low standing in public eyes that has enabled his opponents to work their will with relative impunity so far. Yet other presidents, Nixon in 1971 and Truman in 1947, for example, sank just about as low in the public's opinion as Mr. Carter and recovered. And since the President is generally quite well liked—if not thought to be especially competent—in his position, at least until recently, probably was never as bad as the polling numbers suggested. But the seemingly endless slide of the last few weeks has finally induced genuine fear among his advisers, who had previously consoled themselves that a recovery would be certain once Mr. Carter came to be matched up in the public mind against the alternatives—the Reagans, Connallys and Browns of the political landscape, all of whom appear to possess notable drawbacks by electoral standards. It had begun to appear that even the simplistic or ill-

formed palliatives offered by the potential opposition were becoming attractive in comparison with a President whose ability to direct the Government was increasingly doubted. Nowhere is the leadership crisis more starkly demonstrated than in the hypothetical contest between Mr. Carter and Senator Edward Kennedy. It is probably accurate to say that Mr. Kennedy, ten years to this week after the incident at Chappaquiddick, does not want to run for President next year. But, being a Kennedy and a Democrat, he has to think in national terms, which is precisely how he is perceived by the electorate. The Senator's overwhelming lead over Mr. Carter in the polls stems from the fact that the public applies entirely different criteria in judging the two men: even those who, by any political logic, ought to prefer Mr. Carter are drawn to Kennedy because of the aura of leadership which surrounds him. It is precisely this *Druid* deity that Mr. Carter is now seeking to recapture. It will not be an easy task. The President is no longer the fresh, unscarred face who, running against the Establishment, was able to tap a source of national discontent. He now has nearly three years of bitter and publicised difficulties in government to overcome. In seeking to re-ignite the spirit of 1976 by offering the nation the same public partnership in the war on energy, he is asking not merely for acceptance of his past errors and omissions but for a national judgment that the re-elected Jimmy Carter is worth a second chance. And he is doing this at a time when inflation is still raging unabated, when the economy is slipping into recession and when unemployment will soon be on the rise again—and when the country is in a disgruntled, mean-spirited and iconoclastic mood. It certainly is not the most propitious moment to start anew. But, having publicly cleansed his soul in his Sunday night confession, the President is going to try to assert leadership, as traditionally and classically understood. Given the remarkable single-mindedness of purpose he displayed in becoming President in the first place, at this stage, to lay too many bets against his success.

## MEN AND MATTERS

### Bed & breakfast for Britain

Leaving its political volatility to one side, among Portugal's other problems are its dependence on textile exports to the UK, inviting ever tighter quota restraints, and appalling agricultural performance: 50 per cent of all foodstuffs have to be imported. As if that were not enough, industry is grossly overmanned as a result of labour laws which make it extremely difficult to sack anyone.

A partial solution to some of these problems has just been produced by Coelima, one of the leading household textile exporters. The group employs 2,500 people, 500 more than it needs. And it operates in an area north east of Oporto where many, including full-time employees, farm smallholdings in a desultory sort of way. Coelima's bright idea is to diversify into producing some of the food, as well as the tablecloths, for the British dining table. The venture would involve pig farming, the animals being brought up to the mark

on the textile workers' smallholdings. Surplus labour from the textile plant would process the meat.

If the scheme gets off the ground and Portugal's pork starts to find its way to Britain, it may come as unwelcome news to the British pigmeat industry (which is in a permanent state of protest about the Dutch and the Danes) to learn that this unlikely competitor reckons to have accounted for 60 per cent of UK bed linen imports last year.

### Flagging attention

It had, of course, to be the Rev. Ian Paisley who noticed yesterday that the Union Jack banner flying outside the European Parliament in Strasbourg was upside down. Paisley complained, and officials promised it would be put right in time for the first meeting of the newly-elected assembly. English officials said they had not spotted anything wrong.

### Tank tactic

President Carter's energy "spectacular" has one omission—he forgot the brick. A letter in the Washington Star asks anxiously about a means of saving fuel which is allegedly fashionable in California. "Someone has told me that a way to save gas is to put a brick in your tank—that way there is less room for gas and you wouldn't have to buy so much. . . . There is one matter troubling the reader, who is identified only by the initials R.S. "Could you tell me how to get a brick in there? The spout is too narrow for ordinary bricks. Is it OK to break it up and put in the pieces?" There is no suggestion that the questions are anything but deadly serious; perhaps they are based on the venerable notion that you can save electricity bills by putting a brick in your hot water tank. Another recent note on the

### Skin game

The item handed to economist Clive Bemrose by a Battersea postman seemed at first sight like a laconic farewell gift from United Brands, the transnational group which owns Pyfer in Britain. The postman was delivering a banana to Bemrose's home in Battersea, London—an unwrapped banana, but bearing a duly franked nine-penny stamp, and with the address engraved on the skin. Bemrose has been working on a study of banana distribution and pricing in Europe for United Brands, which is still smarting from the fine imposed on it last year by the European Court for "abusing its dominant position" in various European countries. (The fine was 800,000 Ecu, around £500,000.) This study was completed last month—but the banana is turned out to be no more than a joke by a girlfriend.

The Post Office, admits it was perplexed to find this normally forbidden fruit in a post box. It decided on a public relations gesture, by making an unusually high-speed delivery, then telephoning the nearest local paper.

### Banking on burros

While North America gets to grips with the idea of a war economy, oil-less countries further south have been attempting to adapt to this notion ever since OPEC announced the latest price increases. In Brazil, these added at least \$2.6bn to the bill for imported oil—at present running at 1m barrels a day. Whether "war economy" turns out to mean fuel rationing is still unclear. And while the wealthy emulate California by installing private petrol stores, those further down the social scale are taking precautions as well. The demand for donkeys has taken off. So has the price. Brazilian entrepreneurs are now anxious at mastering the laws of supply and demand. Not long ago a burro could be had for \$50—today's revalued workhorse starts at £100. The more alarmist are even predicting that donkey breeders are the capitalists of the future—along with growers of sugar cane, cassava, and eucalyptus, all of which can be distilled into fuel for car engines.

### Showa goes on

Tokyo is such an anonymous, Americanised anti-city of a city that it is oddly reassuring to learn there is enough distinctive Japanese culture left for a minor collision with that of the U.S. Walt Disney Productions has just released an

awkwardly worded announcement saying that the opening of the Tokyo Disneyland—which some apparently feared was to be delayed—is not in fact to be delayed. "Stories stating that the project has been set back to 1988 stem from an error in translation from the Japanese calendar," I read on a garish piece of stationery headed DISNEYNEWS.

The calendar used the Year of the Emperor Showa. Showa 56 was wrongly interpreted as 1988. Fun-lovers in Tokyo will be relieved to hear they have only four more years to wait.

### All guzzled up

Sign outside a filling station/transport care in Dover: "Pardon, hors Derv."

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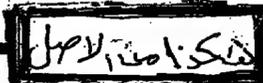
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## Dutch Capital Market

The impact of Government measures to ease the uncertainties of the economic situation in the Netherlands has been felt throughout the Dutch money and capital markets, the foreign exchanges, banking and insurance sectors. Meanwhile, Government plans to improve Dutch industry's competitiveness abroad, reduce inflation and hold down unemployment, have been particularly hindered by this year's series of oil price increases.

THE DUTCH capital markets have been overshadowed in the past year by the Government's sizeable budget deficit and by its attempts to curb public spending. The Government's main economic programme aimed at curbing spending levels and stimulating the private sector of the economy has encountered strong opposition. The programme, known as "Blueprint '81", provoked a crisis in Parliament, while the unions called one of the largest demonstrations in recent years to express their dissatisfaction.

The already difficult economic situation in the Netherlands has not been made any easier by the series of oil price rises announced so far this year. The most recent OPEC increase is expected to add 2 per cent to the inflation rate and put a further 15,000 people out of work.

### Curbs

While industrial activity continues at subdued levels, the high levels of private spending have led to curbs on consumer credits. Limits on bank lending prompted by the mid-1970s boom in mortgage lending and house prices is still in force after three years.

On the legislative front, the central bank's sway over banks operating in the Netherlands has been extended under the long-awaited law on the supervision of the credit system, while the insurance companies also face tougher controls.

The chief Government forecasting agency, the Central Planning Office, will present new data on the prospects for the economy when the 1980 budget estimates are presented to Parliament on September 18. The most recent forecasts were made by the Planning Office in March but they have since been overtaken by the rise in OPEC oil prices.

The Planning Office in its March review described the Dutch economy as "very vulnerable." This view was echoed by Dr. Jelle Zijlstra, President of the central bank in his annual report presented in May. The Dutch economy is not in a strong enough position to withstand external storms, he warned.

Gross National Product is expected to rise at a slightly quicker rate this year—by 2.5 per cent compared with 2 per cent in 1978. Exports will rise 5 per cent in volume, double the rate of increase last year, while imports will rise more slowly, by 4 per cent compared with 5.5 per cent. The most recent figures showed that the Netherlands had halved its trade deficit to Fl 550m (\$275m) in the first four months of the year compared with the corresponding period in 1978.

The Planning Office expects the balance of payments deficit on the current account to improve from Fl 2.5bn (\$1.25bn) last year to Fl 1.5bn this year. Economists, however, expect last year's deficit to be equalled in 1979 following the latest oil price rises. The first quarter of the year showed a deficit of Fl 665m. Whatever the outcome

it is a far cry from the surplus of Fl 7.5bn recorded in 1976. While the visible exports position is improving the invisibles position is substantially in the red with the tourist balance alone expected to show a deficit of around Fl 4bn this year.

Although the Dutch unions have shown considerable restraint in their demands for increases in basic wages in recent years, employers complain that the automatic indexation of wages to prices and the concessions won in the areas of early retirement and extra holidays still amount to a substantial increase in wage costs. The Federation of Dutch Industry, the major employers' organisation, estimates that instead of falling further this year the rate of increase will be the same as in 1978—around 7.25 per cent.

The corollary of high wage costs has been unemployment. It is expected to average 210,000 this year, 4,000 more than in 1978. In June the seasonally adjusted number of people out of work was nearly 215,000. Inflation was more than halved in two years to 4 per cent in 1978 but the initial forecasts were for a slight increase again this year to between 4 and 5 per cent, without taking into

account the latest oil price rises. The central bank would ultimately like the Netherlands to equal the West German level of inflation, securing the tighter D-mark link and improving the competitive position of exporters. The Government's "Blueprint '81" has dominated the economic debate in recent months. It aims to reduce the growth in public spending in the three years to 1981 by 20 per cent or Fl 10bn (\$5bn). Spending is now expected to rise to Fl 200bn instead of Fl 210bn from the 1978 level of Fl 160bn. The objective is to improve Dutch industry's competitiveness abroad, reduce inflation and hold down unemployment.

These proposals have met with considerable resistance from the people expected to accept a slower growth of their incomes — public authority workers and those receiving social security benefits. The unions have been vocal in their protests. Meanwhile the worrying growth of the Government borrowing requirement and the sluggish development of the

increases. These prompted a day of protest marches and work stoppages organised by the trade unions in June. The Cabinet pushed these proposals through Parliament but only after it threatened to rebuke the bench MPs that the Government

extension applies until the end of this year. Lending which is not matched by long-term borrowing may only rise by 8 per cent on the average amount outstanding in the final quarter of 1978. This limit applies to the larger banks, although smaller banks are allowed a growth rate of 9 per cent. These curbs have succeeded in limiting monetary expansion over the past 24 years and have also helped to lower inflation.

The recent sharp growth in the volume of consumer credit has also prompted the authorities to impose limits. The growth in the outstanding credit debt will be limited to 15 per cent in the year to April 1 following an increase of 27 per cent in the preceding 12 months. Purchases of imported cars and home electronics equipment, and spending on foreign holidays have been blamed for part of the balance of payments deficit. The banks and finance houses, however, blame the aggressive marketing tactics of the State-owned Post Office Savings Bank for some of the consumer boom.

tent management, the Central Bank may instal its own managers in a bank which finds itself in difficulties without informing the public and may arrange support operations for an institution in trouble. Monetary controls have also been extended to the "near-banks."

## Plan to reduce uncertainties

By Charles Batchelor

Supervision — It is now the turn of the insurance companies to come under tighter supervision. A draft Bill toughening up the conditions imposed on insurers and setting higher solvency margins was sent to Parliament in June.

The impact of these developments has been felt in the money and capital markets, the foreign exchanges, the stock exchange and throughout the banking and insurance sectors. The State has been a regular borrower on the money and bond markets. The credit curbs have increased the amount of long-term bank borrowing, but industry — perhaps fortunately — has not returned in force to the markets. Bankers and economists are perturbed that the disparity between inflation and interest rate levels will delay this return.

Dr. Zijlstra has repeatedly warned of the uncertainties facing the economy but has also stressed that the Netherlands can solve these problems if the right moves are made. The September budget estimates will show how the Government has responded to this challenge.

A licensing system has been introduced requiring banks to have minimum levels of assets and to show they have a compe-

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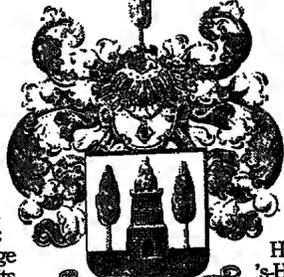


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# Good profits for the banks...

THE BANKS look like emerging from 1979 in far better shape than most other sectors of the Dutch economy. Boxed in by official curbs and an increasingly sluggish trading background, loan demand is starting to tail off. But banking margins have widened a trifle this year, and the rapid expansion of the past five years has allowed the sector to build up plenty of fat.

In 1978 lending by the commercial banks to the private sector rose by 22 per cent, according to central bank statistics. Two of the three largest commercial banks managed to outstrip the average, with Nederlandsche Middenstandsbank lifting advances by 28 per cent and Amsterdam-Rotterdam Bank achieving 24 per cent growth. Algemene Nederland Bank was held back by a proportionately heavier foreign loan book. Even so its advances rose by 20 per cent.

The banks continued to experience high demand for mortgages and consumer credit generally as well as short-term commercial loans. On average, banking margins may have eased by 1 per cent to around 3 per cent. But the squeeze was not enough to stop profits from continuing to soar, and after-tax earnings of the big three commercial banks rose on average by more than a fifth.

ABN and Amro achieved profit growth of 15 per cent and 19 per cent respectively while with FI 126m at the net level NMB managed to clock up an increase of 28 per cent. The absolute figures at ABN were FI 369m and at Amro FI 253m.

This year the constraints of a weakening economy are going to have an adverse impact and

bank lending cannot hope to match the growth of recent years. The Government has tightened its grip on credit expansion, and competition for business among the banks is starting to become noticeably keener.

At the same time recent moves among the banks to improve their solvency ratios have resulted in—among other things—a rash of rights issues, as the industry's earnings growth in 1979 is going to look even less impressive where it matters most, at the per share level.

## Useful

But the banking community is far from despondent. There have been useful returns this year in a number of ancillary areas—notably currency dealing and banking margins over the first six months were showing a slightly more healthy average than for the opening half of 1978. The consensus view seems to be for a rise in bank lending this year of between 10 per cent and 15 per cent and a consequent increase in after-tax profits of perhaps a tenth for the major stock market listed banks.

Looking for something like 40 per cent of the commercial banking market, Holland's three main commercial banks dominate the industry. They present combined balance sheet totals of well over FI 100bn. But Dutch banking is more diffuse than it might appear to the casual onlooker.

There are, for instance, any number of state and semi-state banks operating in areas like

local authority financing, and the Post Office Savings Bank and Post Office Giro also have sizeable operations. In terms of absolute profits, the largest bank in Holland is the agricultural co-operative Centrale Rabobank.

Rabobank's earnings growth last year only just crept into double figures, with a gain of 12 per cent at the net level. But the bank managed to expand its assets base at a pace that would not have embarrassed the more aggressive commercial banks. Its balance sheet total at the end of 1978 was a full 21 per cent larger at FI 74.2bn. Traditionally linked to the market for farm finance and household accounts, Rabobank today is clearly bent on becoming an international banking operation.

In terms of international thrust ABN is probably the most active among the banks. Something like 40 per cent of its earnings arise outside Holland, although the proportion of non-Dutch assets is lower. At the end of 1978 ABN's foreign assets base was around 30 per cent of the group total.

At the bank's annual Press conference in Amsterdam earlier this year ABN chairman Dr. Andre Batenburg underlined the competitive pressures building up within Holland, as he unveiled ambitious plans to expand ABN's branch network in Europe and North America. In West Germany ABN was looking around for opportunities to expand the number of offices from two to five, while once approval is received for the purchase of the Lassalle National Bank of Chicago, cur-

## THE BIG FOUR BANKS

	Balance sheet total FI bn	Per cent increase	Net profits FI m	Per cent increase
ABN	76.2	20	270	15
AMRO	72.6	22	252	19
NMB	33.1	22	126	28
RABO	74.3	21	273	15

regulation would be given to yet more branches in the U.S. Dr. Batenburg emphasised.

Starting next year with an office in Madrid, the bank has also received permission to open five branches in Spain. The Middle and Far East also figured prominently in ABN's foreign expansion programme, with the bank clearly intent on matching the growth of its foreign earnings with a similar build up in overseas assets.

One Canadian bank is in the process of pulling out, but there are still something like 30 foreign-owned banks operating in Holland, mostly in Amsterdam. The most recent arrival is the Banco de Viscaya from Spain.

Dutch banks are currently going through a fairly painful period of adjustment to Parliamentary revision of the credit supervision regulations. After eight years of preparation the Government announced in January wide-ranging new powers to increase public safeguards and tighten the supervisory arms of the central bank and the Ministry of Finance.

operations, including solvency and liquidity levels, has been formally extended to cover the mortgage banks. Provided they have assets of FI 1.5m, all banking institutions have to be licensed. They have to publish audited accounts and provide the authorities with some reference to the legal and business qualifications of their management.

At the same time, the central bank has taken on broad powers to enforce its rulings. It may put its own managers into a bank without informing the public, or it may put in trustees in order to minimise the impact of any banking failure on potential creditors. There is a broad plan to pay creditors up to FI 25,000 each in the event of a banking failure.

The central bank will also extend its monetary controls to the so-called "near-banks" which borrow for periods of up to two years. This regulation will cover institutions which attract funds of between FI 10m and FI 50m, with individual limits to be decided by the central bank.

Jeffrey Brown

# ENNIA PROFITS FROM SUSTAINED PERFORMANCE, INTERNATIONALLY



Life Assurance



General Insurance



Non-Insurance Activities

## Summary

As we forecast, our financial results in 1978 confirm the forecasts we made last year. Both profits and gross receipts went up, gross receipts by 8% from dfl. 1,849 million to almost dfl. 2,000 million; profits after tax by 29% from dfl. 42.9 million to dfl. 55.5 million. Overseas interests showed reasonable growth and now account for 23% of all receipts.

These increases are largely attributable to a recovery in our general insurance business. We expect the same conditions during 1979, and our receipts and profits should rise in keeping with them. This should enable us to maintain both a healthy level of growth, and levels of profits per ordinary share, which rose by 8.4% to dfl. 25.96 in 1978.

## Life Assurance

The results in this sector continue to reflect the developments we have made in the policies for both company pension fund schemes and individual life policies. Although gross receipts fell by 2% to dfl. 1,099 million as a result of non-recurring premium movements in 1977,

profit after bonuses and dividends to policyholders rose by 6% to dfl. 58.5 million, and we expect this trend to continue through the coming years.

Annual Results 1974-1978 (in dfl. million)	1978	1977	1976	1975	1974
Gross premium life assurance	651.5	716.3	607.8	743.5	509.8
Gross premium general insurance	609.5	505.7	414.6	380.7	251.4
Other income	651.6	565.4	454.9	356.0	262.4
Gross receipts unconsolidated company	76.8	62.3	46.8	-	-
Gross receipts	1989.4	1849.7	1524.1	1480.2	1043.6
Per Ordinary share dfl. 20.00	dfl.	dfl.	dfl.	dfl.	dfl.
Shareholders funds	285.31	272.20	241.09	246.39	208.16
Net profit	25.96	23.95	20.71	18.45	17.61
Dividend	8.00	7.50	6.50	5.75	5.32

## General Insurance

Essential as it is to the fabric of our society, general insurance represents a high risk area for insurance companies. Although the results in this sector represent a

substantial recovery due mainly to the amendment of conditions set in motion in the Netherlands last year they cannot be said to be entirely satisfactory. However premium levels did improve—1977's loss of dfl. 14.1 million was converted into a profit of 1.1 million, and gross receipts rose by 21% to dfl. 719 million.

## Non-Insurance Activities

Ennia's programme of logical diversification into such areas as financing consumer credit and housing, property investment and development, and holiday sites, has proved itself of considerable benefit. Gross receipts rose by 33% to dfl. 171 million and profits before tax by dfl. 0.1 million to dfl. 8.3 million, and we look forward to further growth next year.

**ennia** nv

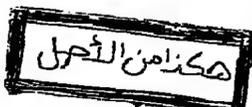
Churchillplein 1, The Hague, The Netherlands.  
Balanced growth, internationally

To: The Company Secretary, Ennia Insurance Co. (UK) Ltd., 130 Finchchurch Street, London EC3.  
Telephone: 01-488 3111

Please send me a copy of the 1978 Annual Report.

Name \_\_\_\_\_

Address \_\_\_\_\_



# ...and in insurance

"INSURANCE companies under a lucky star," the headline of a major Dutch bank's stock market review of the Dutch insurance industry read at the end of last year. The bank in question, Amro, went on to express a good deal of confidence in this sector, partly because the large Dutch groups had been timely in adapting their policies, putting more emphasis on internationalisation and diversification to secure continuity for the future.

Since then the annual reports of the six largest insurance groups—Nationale Nederlanden, Amev, Ennia, Delta-Lloyd, Amfas, Ago and Stad Rotterdam—have shown 1978 to have been another good year, in which increases in earnings of 20-30 per cent were forecast. Most companies have exceeded this substantial forecast, and recent quarterly statements indicate that business is developing in line with expectation.

The annual reports also showed that accident insurance, a distinctly weak point in Dutch insurance over the past few years, has turned in strongly improved results. This development is generally attributed to the more flexible attitude of the Government towards premium increases and to the improved discipline on the market by the various companies themselves.

Now that the hoped-for price rise at the Amsterdam Stock Exchange has not got off the ground as a result of rising interest rates, the uncertain energy picture and the generally "saddened" domestic economic climate, shareholders' interest has started to focus once again on the financial sector—banking and insurance—NMB, another Dutch bank, has noted in its "stock market review".

As a result of the increased profit contribution from international and diversified activities, the "quality" of earnings in the Dutch insurance sector has been increasing steadily and the process of integration, concentration and far-reaching rationalisation is beginning to bear fruit. Other factors that contributed to the development of business last year were the much reduced rate of inflation, lower wage costs, a fairly high level of interest rates, the earnings contributions of new foreign acquisitions and, bar the severe winter, the absence of any insurance disaster.

The threat of far-reaching profit sharing schemes being forced on Dutch business by the trades unions, rumours of a possible nationalisation of parts of the insurance sector and the threat of a possible new compulsory pension scheme have all subsided with the arrival of the Centre-Right Government. On the other hand, as Amfas pointed out in its report, the state of the national economy continues to give rise for concern and "fiscal uncertainty" over possible measures in future, particularly as regards tax deductibility of interest paid, still remains. This "fiscal uncertainty" began after the publi-

cation of the Hofstra report on inflation and taxation.

The past year has seen the opening in the Netherlands of a life office of Prudential, the British group. Another British insurer, Equity and Law, which has had a life office in the Netherlands since 1971, has reported successful growth in 1978. Total premium income has gone up by at least 30 per cent, and the insured sum exceeded the FI 3bn level in February this year. Both companies' equity has built up a reputation as a very active market force.

Mr. G. J. Swalef, the E and L director, explaining why his parent company had selected the Netherlands as its springboard for its Common Market activities, mentions three factors: liberal laws in the assurance field, the insurance-minded population and the distribution network of high quality independent insurance consultants.

## Stability

Whereas other sectors of Dutch industry have seen some dramatic mergers in the past year—in the building sector Volker joined forces with Stevin and in publishing NDU teamed up with Elsevier—the concentration movement has again bypassed the financial sector. After the wave of mergers in the insurance sector in the 1960s seven large groups have emerged which have well over 80 per cent of the market. Of these, Nationale, Amev, Ennia, Amfas and Stad Rotterdam are quoted on the Amsterdam Stock Exchange. The latter, by far the smallest of the listed companies, has deliberately confined its activities to the domestic market.

The dominant news from the takeover scene has come from Nationale Nederlanden, by far the largest insurance group in the Netherlands, and the acquisition was made in the U.S., still a holy land for Dutch companies of all sorts. Nationale was able to announce last month that its bid for sizeable American life company—Life Insurance Company of Georgia (LOG) in Atlanta—had succeeded. The \$60 a share takeover involved a total bid of FI 700m and meant that Nationale was preferred to other interested, and American, insurance groups which had also been courting Life of Georgia.

Nationale and the company is not hesitant to admit it has clearly outgrown the Dutch market, where it has built up a share of 28 per cent of life business and over 10 per cent of accident business. Any more major acquisitions in the Netherlands, certainly in the life sector, would almost certainly have raised some eyebrows at the Ministry supervising economic competition. "We are certainly not looking for new acquisitions here. The last one, Oude Haagsche, was made six or seven years ago," says Mr. J. M. van der Meulen, Nationale's management board secretary.

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# Currency movements pose problems



The renewed weakness of the dollar is being balanced, in part, by an upsurge in demand for the Deutsche Mark, with the result that the guilder is in danger of being forced out through the floor of the EMS. Above: part of the foreign exchange dealing room at Amro Bank, at Rembrandt Park, Amsterdam

THE PRESSURES that built up last year for the Dutch capital market have continued into 1979. The major internal constraint, the Government borrowing requirement, shows no sign of diminishing, balance of payments uncertainties linger on and this year's squalls on the foreign exchanges have been no less severe.

As a result, interest rates in Amsterdam have been rising for most of this year and long-term bonds now return nearly two points more than they did in the second quarter of 1978 when fixed interest yields reached their lowest level for five years. At the beginning of 1979, average long term bond yields were around 8 1/2 per cent. They have since moved up to above 9 per cent.

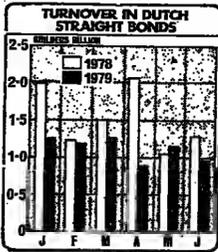
The capital market's difficulties are manifold but the most pressing remain those arising from currency movements. The problems posed by Europe's new currency framework, the EMS, have been especially testing, creating intense interest rate pressures and sparking off a bout of competitive leap-frogging across the financial capitals of the continent.

The introduction of the EMS coincided with a revival in the fortunes of the U.S. dollar and subsequent reversal of the sort of currency strength that some European financial centres had come to take for granted. Interest rates began to creep upwards with West Germany the main focus. The rest of

Europe had no choice but to keep in step.

Recently, of course, the whole currency question has had to be re-begged. The narrowing of interest rate differentials between New York and the major continental centres has led the international investor to do an about-turn in his currency thinking, following the latest turn by OPEC in the oil price screw.

The renewed weakness of the dollar is being balanced, in part, by an upsurge in demand for the DM, with the result that the guilder is in danger of being forced out through the floor of the EMS. Dutch short-term rates have been rising sharply in recent weeks as the authorities attempt to keep within their official currency guidelines.



some three months after April as conditions became too critical. Considerable official face had been lost with the issue of April 1978 which could only attract Fls 150m of investors' money.

As a source of new capital, however, the market in public bonds is severely overshadowed by the private placement market in Amsterdam. The public arena is largely restricted to State and semi-State borrowers, plus financial institutions such as the banks and insurance companies. Chemical group AKZO recently borrowed Fls 125m, but at the cost of a 9 1/2 per cent coupon.

Backed by a secondary market and linked visibly to central bank policy on interest rates, the public bond market is the "price leader." But the attractions to Dutch borrowers of private placements are equally plain. The supply of funds is almost instant with the banks—which tend to act as sole intermediaries—quick to tap a ready pool of lenders in the shape of pension funds, insurance companies and the Dutch savings institutions.

At the same time, there are no initial costs of the type associated with the public bond issue. And borrowers can take up loans on longer maturities. Bond market money is largely limited to 10 years, but in the private placement market maturities range between 10 and 15 years with an occasional call for 25 years if the borrowers

pedigree is in the triple "A" bracket.

Understandably, costs are higher. On average a private placement costs the borrower around half a percentage point more than a similar loan on the public bond market, shading marginally if one or two ancillary factors are taken into account.

## Busy

There are no statistics available so it is impossible to draw direct comparisons between the two forms of debt. But all the major Dutch banks are heavily involved, and all describe their operations as "busy." For perspective, secondary market turnover was running a third down over the first four months of 1979, but rallied with a rise of 9 per cent during May.

Looking beyond the immediate, interest rates should begin to ease in line with a slowdown in the world economy. Against this background the investing institutions may soon begin to find favour with the historically high real rates of return available.

Dutch inflation, although under the sort of all price-led pressures apparent throughout the industrialised world, is still running at less than 4 per cent compared to long-term bond market yields more than five points higher.

Jeffrey Brown

## Insurance

CONTINUED FROM PREVIOUS PAGE

Among other reasons for the big expansion of activities in the U.S. are cited the obvious good prospects, particularly in the south-east, the country's liberal attitude towards foreign acquisitions and, inevitably, the relatively inexpensive dollar. Comments Mr. van de Meulen: "We are certainly in the market for further growth in Europe, but for varying reasons the possibilities are rather limited there."

Just how important foreign insurance activities are for Dutch companies is illustrated in the annual reports. Of Nationale's total turnover of Fl 5.9bn in 1978, about 36 per cent was generated outside the Netherlands. For Amey the share was about 24 per cent on a total turnover of Fl 2.1bn, and for Ennia 32 per cent on a turnover of nearly Fl 2bn.

### Prospects

Ennia noted that the share of domestic insurance activities in its overall turnover was bound to decrease even further in the coming year, but was careful not to state what it thought the ideal balance would have to be. Other Dutch insurers have expressed themselves in similar vein. Ennia added: "Despite the presence of restrictive measures abroad, insurance markets in many countries offer more expansion possibilities than the already strongly developed Dutch market." It said it was putting know-how gained abroad to good use in its domestic operations.

Though their increased foreign commitments have increased the Dutch groups' vulnerability to currency fluctuations, the improvement in the exchange rates of sterling and the dollar has certainly had a favourable impact on business results last year.

Gradually deteriorating growth prospects in the domestic insurance market and the growing awareness of the need to spread risks have forced the Dutch companies to

diversify, as well as to internationalise their activities. Diversifications were generally intended to be compatible with existing activities, to be able to benefit fully from the available know-how. Consequently the bigger groups have become involved in mortgage lending, financing, project management and development, and administrative services. This arm of activity is still limited in size, but the companies appear keen to develop it up in the coming years.

Among the more unusual diversifications has been Amey's acquisition of the Schapp en Citroen jewellery retail company, which as it happens has not turned out to be the great success hoped for. Amey's co-operation with the Combined English Stores Group of Britain, which has resulted in the 50-50 partnership, Combined European Retailers BV, and studies aimed at buying new retail chains have been going on for some time, though no decisions have been made.

Meanwhile the Ministers of Finance and Justice have submitted to Parliament a draft Bill in which tighter control of non-life insurance companies operating in the Netherlands is proposed. At the same time the need for improvements in public information provided by the insurance companies and their intermediaries is being considered. The country has been forced to modify its 15-year-old laws controlling the non-life insurance industry by an EEC directive, but the opportunity has also been taken to revise control.

The Dutch Association of Insurers has welcomed the Bill, although it went further than the EEC guidelines. Mr. W. M. de Brauw, chairman of the Dutch Insurance Chamber—a supervisory body—has meanwhile stated that the enactment of the EEC guidelines and in particular the higher solvency margin now demanded, was likely to lead to a number of mergers among accident insurance companies in the Netherlands. But he did

not expect that companies would run into serious difficulties as a result of the guidelines.

Michael van Os

# If the Dutch entrust 40% of their savings to one bank, what does this mean to you?

40% of Dutch savings is entrusted to the Rabobank and, as a matter of fact, 80% of the balance sheet total consists of funds entrusted. This places the Rabobank in an ideal position to satisfy international financing requirements on a short, medium or long-term basis.

The Centrale Rabobank heads a co-operative banking organisation with 3100 offices in Holland alone, providing on-the-spot services geared to local requirements in every part of the country.

The Rabobank has a strong agricultural background. Deeply rooted in this sector for over 80 years, the Rabobank not only finances 90% of all loans to the agricultural sector but also plays a key role in major agribusiness projects, both at home and abroad, with participations in the Agribusiness Group Holland and the Latin American Agribusiness Development Corporation S.A. (L.A.A.D.).

With a complete range of banking services and powerful affiliations—the UNICO BANKING GROUP and London & Continental Bankers Ltd.—the Centrale Rabobank is fully active in international financial transactions, including involvement in the Euro-currency and Eurobond

markets, foreign exchange, Euro-credit loans and new issues. A combined balance sheet total of more than 74 bil-

lion Dutch guilders, as per December 31, 1978, (approx. U.S. \$ 37 billion) places the Rabobank among the 30 largest banking institutions in the world.



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The country which inspired Rembrandt's internationally acclaimed masterpieces has inspired the Rabobank to create services of worldwide importance.

For more information: Centrale Rabobank, International Division, Catharijnesingel 20, P.O. Box 8098, Utrecht, The Netherlands. Telephone 030-36 26 11. Telex 40200.

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## Good results and continued growth in 1978

### The Group's 1978 Results and Dividend

- Net profit increased by 21% to DFIs 248.3 million
  - Net profit per share rose to DFIs 18.09 (1977: DFIs 16.35\*)
  - Dividend per share increased 16% to DFIs 5.50 (1977: DFIs 4.75\*)
- \*Adjusted for the Rights Issue in 1978

Notwithstanding the increased value of the Dutch guilder revenue rose 9%. International business accounted for 36% of total revenue. Improved results from non-life business contributed to healthy profit growth. Funds available for investment were at record level. Share issue and good investment performance boosted net assets by 26%.

REVENUE	1978 (in £'000,000)	1978 (in DFIs' 000,000)	1977 (in DFIs' 000,000)
Premium income: life	526	2,101	1,984
non-life	454	1,812	1,720
professional reinsurance	134	535	430
Income from investments and other activities	352	1,406	1,243
	1,466	5,854	5,377
Gross Profit	173	692	586
Profit participation life policyholders	85	339	292
Taxation & minorities	26	105	89
Net Profit	62	248	205
Exceptional expenditure	1	5	4
Exceptional revenue	—	—	5
Available for appropriation	61	243	206
Dividend	19	75	60
Retained	42	168	146
Total assets	5,623	22,449	19,783
Insurance funds	4,121	16,451	14,957
Net assets	550	2,194	1,735

(rate of exchange at 31 December 1978 £1 = DFIs 3.992)

#### In the United Kingdom:

##### The Orion Insurance Company Limited

The 1978 accounts show: Premium income £25 million; Investment Income £5 million; Profit before tax £4 million. London market marine, aviation and non-marine accounts produced satisfactory results but a loss was incurred in the home fire, accident and motor accounts. Investment Income increased by 19% over 1977 on a comparable basis.

##### The Life Association of Scotland Limited reports:

Premium revenue in 1978 increased by over 37% and investment income by about 25%. At 31st December 1978 long-term funds exceeded £100 million for the first time. Total surplus of just over £5 million is double that of 3 years ago.

#### Merchant Investors Assurance Company Limited

Continuing its rapid rate of growth in the U.K. unit linked life and pensions sector, Merchant Investors premium income in 1978 at £20.6 million showed an increase of 64% over the previous year. New sales of regular premiums increased by 85% and new single premiums by 68%.

Nationale-Nederlanden operates on an international scale with branches or associated companies in the Netherlands, the United Kingdom, the Republic of Ireland, Belgium, Norway, Spain, Canada, the United States of America, Surinam, the Netherlands Antilles, South Africa, Australia, Singapore, Malaysia, Indonesia, the Philippines, and through general agencies in Denmark, Saudi Arabia, the United Arab Emirates, Oman and in other countries.

For more information on our 1978 results write for our Annual Report in English to The Secretary, The Orion Insurance Company Ltd., 70-72 King William Street, London EC4N 7BT. The Secretary, The Life Association of Scotland Limited, 10 George Street, Edinburgh EH2 2YH. The Secretary, Merchant Investors Assurance Company Limited, Leon House, 12th Floor, 233 High Street, Croydon CR9 1LP or International Division, Nationale-Nederlanden, 15, Prinses Beatrixlaan, 2595 AK The Hague, the Netherlands.

# Active dealings in unlisted stocks

AN ACTIVE secondary market in unlisted stocks flourishes alongside the "official" Amsterdam Stock Exchange. Little known outside the Netherlands, this market offers the chance of investing in a large number of sizeable and sound companies, according to the brokers specialising in secondary stocks.

Foreign companies have also established an opening in the Netherlands by purchasing an unlisted company. A number of Swedish timber groups acquired a Dutch foothold in this way. A major problem facing the foreign investor or the non-Dutch company seeking an acquisition is the lack of information on the companies and on the market itself.

Two Dutch brokers specialise in making a market in secondary stocks. Broekman's Commissiebank and D. W. Brand together drew up the market rules and they both publish weekly and daily lists of prices and dealings. The third important participant in the market is the Nederlandse Credietbank, through which many investors channel their deals. Credietbank also publishes the secondary market's only index of price movements.

The final responsibility for the proper functioning of the market is a "grey area", Broekman's admits. While the market itself is not under the direct control of either the central bank or the Finance Ministry the three main participants—as credit institutions—are supervised by the central bank, while the two broking houses are bound by the Stock Exchange Association's rules.

The many informal links established with the official bourse areas such as the merger of listed and unlisted companies or the decision by an unlisted company to seek an official quotation make for a close harmony between the working of the two exchanges. Mr. H. P. Quarles van Ufford and Mr. H. Lobius of Broekman's said. If anything did go wrong the Stock Exchange Association would probably be the body to take action.

About 800 shares and bonds are listed in the annual market guides produced by the two

brokers, although many of these are inactive. A truer guide to the extent of the secondary market's activities is contained in the daily dealings list which contains the bid and offered prices for around 70 shares and bonds. Some of these are stocks which surface momentarily in obscurity as an inheritance is broken up or a family places shares which the members cannot or do not want to absorb.

Other concerns with a large amount of issued capital appear regularly in the daily lists. The P + C group, which is a large retail chain, the Tilburgse mortgage bank and Verkade Fabrieken, a biscuit manufacturer, are among the major concerns, many of them household names, traded on the secondary market.

### Centred

Interest has also centred recently on Holland Sea Search, a group with interests in North Sea exploration, IBC Inter, a subsidiary of the IBC Holding offshore construction group, and Zuid Pacific Koper, a company whose assets consist of a 5 per cent stake in a copper mine in New Guinea.

No figures are published about the size of the market, but the Nederlandse Credietbank estimates average daily turnover of Flm (\$475,000) rising to Fl10m (\$475m) on very active days. Broekman's believes the average to be higher than this figure and puts the upper limit a bit lower.

It is the fate of the secondary market to lose many of its best stocks to the official bourse and this has happened with a number of insurance companies and mortgage banks since the early 1980s. But more than 350 shares are listed of companies in the insurance, investment, property, trading and industrial sectors.

Nearly 80 Indonesian plantation companies are also listed, though following the nationalisation by the Indonesian Government of Dutch interests, their assets consist mainly of claims for compensation. Many of these claims have been bought up by two companies, Claimindo and Belindo, which are now both listed on the official stock exchange. The setting up of these two companies has meant that the claims can be handled economically by a central administration.

While this has reduced the number of individual plantation stocks available the knowledge that Claimindo and Belindo were buying up these shares stimulated trading in a pre-

viously quiet sector. The major issue is whether Indonesia will honour its promise of compensation. But payment of the shares claims has been completed and the long-term claims are now being dealt with.

The largest block of bonds traded on the secondary market comprises issues by church organisations. Local authority and water board bonds also feature alongside those of commercial concerns. An attempt is made to simplify their operations and cut costs by reducing the volume of activity in bonds. Bond holders were offered a premium to get rid of small lots and concentrate on a few larger blocks. In view of the good yields on many of the bonds it is doubtful whether this was a sensible move for most investors, says Mr. H. Gerard of Credietbank's securities department.

While the relative scarcity of information about most of the shares and the market makes investing in the secondary market more speculative than dealings on the official exchange there is nothing speculative about most of the shares themselves, according to Broekman's and Credietbank.

"You can achieve a better rate of return on the secondary market than on the Stock Exchange itself," said Mr. Gerard. The limited number of shares placed by all but a very small number of companies means major sales or purchases will be immediately reflected in the share price. But within these limitations the market offers a sound means of investment.

The smaller companies are frequently better placed to react quickly to new developments while the personal involvement in family owned companies makes for a more committed management.

Many of the companies traded on the secondary market do not want to publish the information which would be required for a stock exchange listing. They may also not conform to the stock exchange requirement of having at least Fl1.5m (\$240,000) of fully paid up capital. A complicated capital structure may also disqualify a company from an official listing.

Trading on the secondary market permits a more flexible price development, Broekman's says. Dealings begin on the telephone at 9 am and move to the floor of the official bourse when the brokers "make" their pitches for the stock exchange trading hours of 11.20 am to 1.15 pm. Telephone trading

continues up to 5 pm. This compares favourably with conditions on the official stock exchange where jobbers must deal for most stocks during the opening 45 minutes and the closing half-hour of trading.

The secondary market is a stepping stone for many companies to a full listing on the stock exchange proper. It allows them to establish their name among investors without incurring the costs associated with a full listing. Although there are no formal requirements for the broking houses, regular accounts and an idea of prospects before they will launch it on the market and give it their backing by trading its shares.

They will advise companies against picking the value of their shares too high and on supporting their share price, if necessary, in the first weeks after the launch. They may also say that a company does not come up to their requirements and advise changes.

Although a company can introduce its shares on the secondary market in theory overnight—the approval of the three major participants is needed before trading can start. Many of the companies do in fact provide very full annual statements.

### Higher

The Dutch banks have complained in recent years that their securities business makes a loss. The costs of the secondary market are if anything higher than those of the stock exchange proper, since share handling has not yet been automated and transfers of the original share certificates are necessary. The smaller deals are therefore clearly not profitable. The large transactions usually are though, while the three major secondary market participants also earn fees by advising companies on coming to the market in the first place, on mergers and on capital raising.

What are the prospects for the secondary market? It is not now as active as it once was and in common with the stock market proper there is a lack of new companies wishing to come to the market. The three major participants are convinced though that it offers a useful addition to the range of financial services available in the Netherlands.

Charles Batchelor

# Why do small countries often have such important banks?

Belgium and Holland are relatively small countries. Both, however, have very important banks. The presence of major Common Market economic institutions is solid evidence that our countries are considered an important financial centre. There's a good reason for this—our geographical location.

Not only do we have international ports with Antwerp and Rotterdam, there's a dense network of highways and railways giving rapid and direct access to the rest of Europe.

With over 1150 branches throughout Holland and Belgium, NMB Bank and Kredietbank are well-established to serve the area. In practical terms, this means we gain firsthand knowledge of business opportunities also among small and medium-sized companies, the backbone of the European business community.

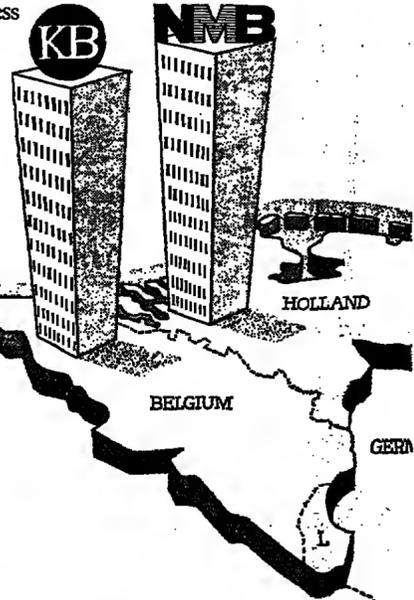
And so, as well as offering all the regular banking services, we can arrange fruitful new business contacts for you.

If you ever need a helping hand in one of the world's most interesting markets, you know who to turn to: the joint forces of NMB Bank, Holland and Kredietbank, Belgium.

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KB KREDIETBANK  
NMB BANK  
NEDERLANDSE MIDDELSTANDSBANK

# Options trading moves slowly

AFTER ITS first 15 months of operations the European Options Exchange is settling down to a slow but steady haul to viability. A series of setbacks in recent months and the absence of any spectacular rise in trading volumes have forced radical rethinking of several aspects of its policies.

It now realises that its early forecasts of a turnover of 7,000 contracts a day within two years of opening were hopelessly optimistic and the exchange's chairman, Mr. Ewold Brouwer, told the recent annual members' meeting that it would take another two years or so to achieve commercial success. On the other hand many members are already making a profit on their operations and many more can expect to do so before the exchange itself is in the black.

The EOE faced three major problems in 1978, according to its first annual report, published in May. Most significantly, many stock markets, and in particular Amsterdam, were bearish. The EOE subsequently introduced "put" options—conferring the right to sell a share at a future date—but this provided only a very limited answer to the poor stock market conditions.

Less co-operation than expected was forthcoming from authorities abroad. The Bank of France, for example, approved dealings in French stocks on the EOE but at the same time said its own nationals could not trade in French stocks. Belgium is the only country besides the Netherlands which allows its investors to trade without restriction.

While these are factors over which the EOE's managers had little control they fell down badly in one area where they did—marketing the EOE. Private investors were insufficiently aware of the potential of traded options during the early months. The EOE has now, and belatedly, begun an intensified information campaign, holding seminars for interested private investors, stockbrokers and bankers. Nevertheless, Mr. Brouwer told the annual general meeting that in his view the EOE has still

### EUROPEAN OPTIONS EXCHANGE

Volumes in the first 14 months

	Monthly volume of contracts	Daily average	Open interest at end of month
April, 1978	12,283	738	5,303
May	15,472	774	10,531
June	16,487	749	16,840
July	16,075	765	16,766
August	24,797	1,078	24,435
September	29,702	1,414	35,800
October	33,124	1,506	36,004
November	23,942	1,088	44,161
December	14,574	767	48,016
January, 1979	25,876	1,176	32,570
February	18,150	907	40,677
March	28,160	1,280	49,650
April	27,306	1,317	29,347
May	32,520	1,456	38,713
June	26,369	1,529	49,327

not budgeted sufficient funds this year for information and marketing.

Mr. Michael Jenkins, who is shortly to resign as a managing director of both the EOE and the clearing corporation, is convinced that the private investor is still a force to be reckoned with. Despite the impact of tax legislation in Europe there are people with money to invest. More important, they are the people who are increasingly discouraged from investing in the stock exchange, as banks and stockbrokers divert them into unit trusts and other "safe" investments. There are still many investors, however, who want more excitement from their investments, Mr. Jenkins feels. "In trying to project a respectable image the EOE may be underestimating its appeal to this class of investor."

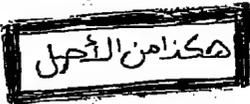
Although the EOE reckons it could now achieve break-even point at around 3,000 contracts a day after running back on stock level turnover is still nowhere near this figure. Average daily turnover in the first half of

1978 was nearly 1,300 contracts a day. The long-term trend shows a steady rise in volumes, however, and while the rival London traded options market reports strongly fluctuating trading volumes Amsterdam achieves fairly consistent levels of turnover. While the EOE has been criticised for setting up a sophisticated but expensive trading floor, daily running costs are fairly low, its managers argue.

A severe blow to the EOE was the loss of First Options of Amsterdam. One of the leading clearing members, it ceased operations on June 1 because of inadequate business. Jointly owned by First Options of Chicago, the London stock brokers W. L. Carr and Barclays Koli, a Dutch bank in which Barclays of London has a majority stake, it was one of the few clearers to represent foreign interests.

First Options' problems stemmed from its dependence on the EOE business, which means that its costs were high. Members who run their EOE

CONTINUED ON NEXT PAGE



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# Money market squeezed

THE DUTCH money market reflects the dilemma facing the country's monetary and economic authorities, with interest rates nearly double the levels which could be expected in more normal times. Despite the Netherlands' success in reducing inflation to four per cent, money market rates are currently around 8 to 10 per cent.

While the prospects for the Government's plan to stimulate the private sector depend to a large extent on a lowering of interest rates the central bank's curbs on credit have tended to boost rates.

The abrupt turn-round in the Dutch balance of payments current account from a surplus of Fl 7.5bn (\$3.8bn) in 1976 to a deficit of Fl 2.5bn (\$1.2bn) last year and the high level of capital exports by companies investing abroad have combined to create tight money market conditions.

While the market has to an

extent learnt to live with a large Government borrowing requirement, bankers are now facing up to the prospect of a further large deficit emerging from the 1980 budget estimates to be presented in September. They are also glancing uneasily over their shoulders at signs of strain within the European Monetary System.

The Dutch money market is based in Amsterdam, where most of the domestic and foreign banks have their headquarters. The Ministry of Finance's money market agent—who oversees the placement of Government loans and Treasury bill tenders—has his office there. It is also home of the Stock Exchange.

The money market is a telephone market place open between 10 am and 4 pm. The participants include five or six major brokers, seven or eight of the larger banks and the Finance Ministry's agent. In recent times they have been joined by the treasurers of the multi-national corporations and the large Dutch concerns, the foreign banks which have opened in the Netherlands and the institutional investors. These include the pension funds, insurance companies and bodies such as the construction industry's social fund, which administers the money set aside for building workers' extra holiday payments and the funds to pay workers laid off during bad weather.

The increased direct involvement of companies has led to the development of near-banking, where two companies bypass the banks to conclude a direct deal, and the fearsome-sounding "degenerated banking" where companies borrow at rates of interest lower than a traditional overdraft. Data on the extent of this activity are naturally enough hard to come by.

The money market is principally concerned with the matching of surplus deposits between banks. The Finance Ministry has been very active in recent years with Treasury bill tenders but these hills tend to disappear into investors' safes—to reappear only when they are redeemed. The local authorities and the Bank voor Nederlandsche Gemeenten, which handles their capital market needs, both borrow funds on the money market. There is, however, no commercial paper market on the U.S. model.

Terms range from call or overnight money to one year, although deposits and treasury bill maturities have lengthened in recent years and the market now deals in terms of up to four years. This has led to a blurring of the distinction between the money market and the lower end of the capital market.

## Decision

The central bank's decision to allow commercial banks to consider borrowings of two years and more as long-term funds—which could therefore be passed on without counting towards the quotas laid down under its credit curbs—has stimulated the market for two-year funds. Before the introduction of this rule central government borrowing in this sector was Fl 8bn compared with Fl 500-600m by the banks. The banks are now just as active though, with borrowings of Fl 6-7bn.

The liquidity of the money market depends very much on Government payments, transfers and receipts. Efforts have been made to even out these flows but the market is still subject to sharp fluctuations. While payments to local authorities have been switched from a quarterly to a monthly and now to a weekly basis, there is little the Government can do to spread corporation tax payments through the year. Oil and petrol duties are paid over once a month but gas royalty transfers to the Exchequer follow no set pattern.

The central bank's weekly balance sheet, which is published on Tuesday afternoon, provides much useful information on money supply and

demand. But even this only shows a net position, leaving bankers to speculate about the absolute levels of demand and supply.

The supervision exercised by the central bank over the money market is extensive. The first line of control is the quota allocated to banks for recourse to central bank funds at the rate for secured loans—now 8 per cent. The overall quota is currently Fl 2.3bn, with banks' individual quotas based on the extent of their liabilities.

The two most actively used tools for fine-tuning the market are special advances against securities to banks issued by tender in times of market tightness. It may also make currency swaps, usually in dollars. It will buy or sell dollar spot, simultaneously selling or buying the same amount forward, to temporarily increase or decrease the market's liquidity. In times of a liquidity surplus the central bank may require the banks to deposit cash reserves with it.

The breakdown of the system of fixed foreign exchange rates has involved the commercial banks in a delicate balancing act throughout the 1970s. Whereas the central bank could previously afford to base its interest rate policies almost exclusively on domestic requirements its major consideration now is their impact on the external value of the guilder. This has meant that the rate for secured loans, the bank rate and the promissory note rate are not always in line with money market developments.

When the market's cash rates are higher than the central bank's tariffs a company can draw down funds under an

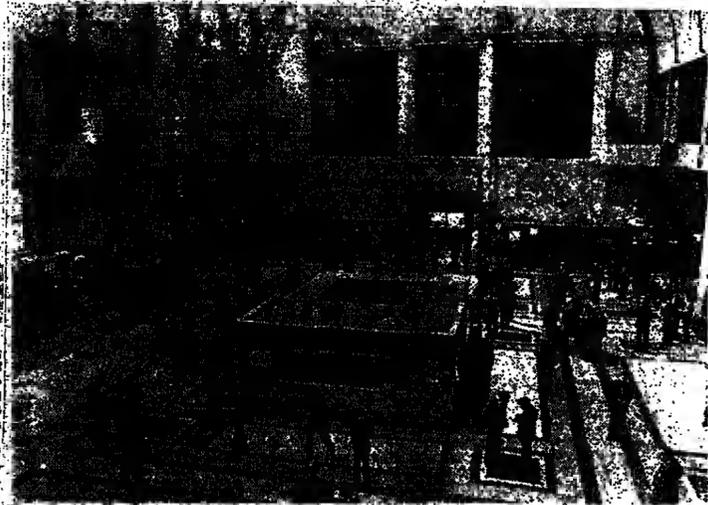
agreed lending facility and lend them to another bank at a profit, leaving the first bank to refinance itself at the higher market rates. Similarly if the market rates are below the official tariffs, inter-company lending flourishes because directly borrowed funds are cheaper than those on offer from the banks.

To overcome this, banks introduce a premium rate on top of their normal lending tariffs when market rates are high. The slowness with which this premium is reduced in times of falling interest rates and the apparent union with which the banks implement the premium has brought considerable criticism.

Although some bankers are hopeful that the Netherlands' balance of payments position will not worsen further this year, the Government's demand for funds is likely to be considerable. It took up more from the money market in the first quarter of 1979 than in the whole of last year. The Government is expected to take up more than Fl 300m net a month from the money market as well as around Fl 500m from the capital market for the rest of the year.

The outlook is for a tightening of money market conditions this summer with unseasonably high rates of interest. The central bank is keen to restrict money market financing by the Government because of its inflationary effect. Some bankers speculate though that a certain amount of liquidity creation by the Government is not unwelcome at a time when outflows of funds abroad are reducing liquidity at home.

C.B.



The Stock Exchange, Amsterdam. Share prices made some modest overall progress in the last six months, although the stock market's main industrial share index is still an eighth below the peak of January, this year.

## Options

CONTINUED FROM PREVIOUS PAGE

operations alongside other activities are better placed to withstand the present low turnover volumes. The withdrawal of First Options has led to an improvement in business for the other clearers, while Merrill Lynch, the large U.S. broking house, has now started clearing for the EOE's market makers.

The two market makers suspended at the end of 1978 for failing below their liquidity margins with their clearing house have since got over their difficulties and returned to active membership. They are the Dutch company, Joso Options, and the London-registered, Philippe George Maron.

Two problems which still face the EOE are a shortage of market makers and of writers of options. More market makers will mean increased competition and a smaller margin between bid and offer prices. Mr. A. Brak, a floor broker for the Nederlandsche Middelenstandsbank, said in a magazine interview, recently, Mr. Jenkins maintains, however, that premium rates on the EOE are very keen compared with spreads on the stock market itself.

The EOE continues to complain of a shortage of writers—that is sellers—of option contracts. It hopes to persuade institutions such as the smaller investment funds to become more active in the writing of call options. Many of them have shares in their portfolios which are currently only assigned a low value by the stock exchange. They could however sell options on the shares, the EOE feels.

Unfortunately for the EOE many of the smaller institutions still regard the writing of options on stock which have not paid a dividend recently, such as Akzo and Hogeweg, and investing the premiums would be a way of creating an alternative form of dividend, Mr. Brak argues.

The EOE is looking at a number of ways of increasing the volume of business, including gold, bond, foreign currency and commodity options. These, however, are longer term propositions and the exchange must first develop a solid base of share option trading. The EOE is now considering a report prepared by a securities expert and former options manager at a major U.S. broker, Kenneth F.

Dolan, who was called in to advise on these developments.

The exchange is hard at work to secure the listing of German options and expects to do so this autumn. A problem in Germany has been a law which allows investors to back out of option obligations, leaving their bank or broker to pick up the losses. This obstacle should not be impossible to overcome, however, and the EOE is convinced that an option deal once agreed would be legally binding.

The opposition of the three largest German banks, Deutsche Bank, Commerzbank and Dresdner Bank, has still to be overcome, but the EOE has met an enthusiastic response from some of the other German banks. This may force the "Big Three"—which have also refused to take part in the Frankfurt options market—to rethink their attitude.

The EOE's managers are at present concentrating on Germany, and see Hong Kong, where there is also a great deal of interest for the Amsterdam market, as a longer term possibility. The listing of Hong Kong stocks would bring with it the same problem experienced with the U.S. Listings—that of

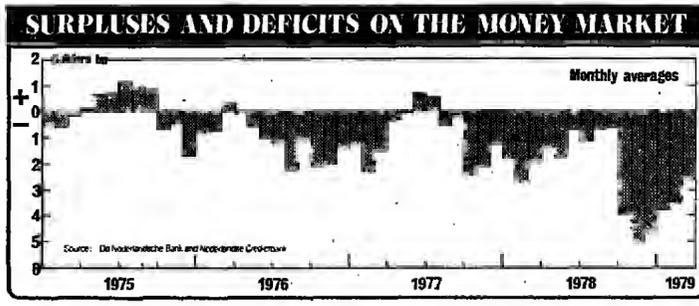
different time zones and stock exchange trading hours.

The listing of German options could attract a sizeable amount of interest from both German and Swiss investors. Dutch investors too have traditionally looked to the east, and German options may be expected to stimulate more business than Belgian and French stocks. It is important for the EOE that investors from a particular country may trade their "own" options. The ban on this by the Bank of France has severely hampered business in the three French options.

Surprisingly, because they were thought to appeal to only the more sophisticated investor, "put" options have excited a great deal of interest. Four "puts" are now listed—all in Dutch stocks—compared with 30 call options.

While there are parallels between the EOE and the Chicago Board Options Exchange the Amsterdam venture has in many ways broken new ground. The EOE admits to having made mistakes but its managers now feel they are gradually moving in the right direction.

C.B.



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# Modest progress in share prices

THE EQUITY market in Holland has had a stab from six months. Share prices have made modest overall progress in the Amsterdam stock market's main industrial index, still an eighth below the peak touched in January. This share price trend is understandable. Along with other economies in the industrialised world, the Dutch economy has had to come to terms with the high cost of oil and the pressure of stagflation. Businessmen are cutting their belts and the book for company profits is good deal less than exciting. The fundamental attractions of the stock market are thus at low ebb. The other side of the investment equation, the supply of funds, is less depressing with institutional liquidity remaining relatively buoyant. As a result, a certain amount of new money continues to trickle into the market. But for the most part, fund managers are concentrating on the competition. The fixed interest markets are sowing off most of the funds as might have been reserved for ordinary shares. Investors are seeking refuge from the bleak world economy in historically high money market yields. Returns in the long-term bond market have moved up sharply this year and now top 9 per cent, whereas Dutch inflation, though mounting, is still running at less than 6 per cent. Against this background, equity investment in Holland is set to stay quiet. The stock market's performance in 1978 was not encouraging. It lost 10 per cent and there are no obvious signs of a recovery. The overall trend of share prices, especially along the financial perimeter, is bleak. But new investors are

willing to take more than a very guarded view of the foreseeable future. Among European investment centres, the Dutch market remains the strongest. International investors account for something like three-quarters of the total quoted value of the stock market (see table) with Royal Dutch Petroleum averaging everybody. Royal Dutch represents some 40 per cent of the Amsterdam market, with Phillips and Unilever accounting for nearly 8 per cent apiece.

**Uncertainty**

The 1978 results of these big three reflect fairly accurately the current degree of investor uncertainty. Only Phillips managed to emerge from last year with profits ahead of stock market expectations, and then only marginally. Having lagged noticeably over the first nine months, Phillips popped up with an eventual gain of 5 per cent in 1978 after tax earnings. Phillips boosted its sales volume by 8 per cent last year but the traditional batch of year-accounting adjustments clearly played a major role in the year's earnings. Moreover, the sharp (26 per cent) after tax gains shown after the first three months of 1979 were largely a reflection of the depression existing at the outset of 1978.

Elsewhere, Unilever is very much a bellwether of the world economy. It is one of the top dozen companies in the world in terms of sales and the largest consumer goods company. Its management is worried about the outlook for demand among major product markets.

Last year profits at Unilever

emerged just under 11 per cent higher at the pre-tax level on a sales rise in volume terms of 8 per cent. The current year has started much more impressively with growth for the opening three months of 1979 extending to 23 per cent before tax. But the performance here is plainly battered by the weakness of profits at the beginning of 1979.

Most analysts in Amsterdam are expecting Unilever to produce some sort of profits growth this year, but no one seems to have raised their sights very high. In contrast, the trend of earnings at Royal Dutch Petroleum is likely to be dramatic—if a constant reminder of the main reason for the present sluggish level of growth in the world economy.

Net income at this major oil group rose by slightly more than a fifth in 1978 but that only put earnings broadly back to their level of four years earlier. During the current year, Royal Dutch was surging strongly forward as earlier stock losses turned into stock profits. Moreover, the full impact of the latest rise in oil prices has still to be reflected.

Unlike his counterpart in many other major financial centres, the Dutch private investor remains a substantial force in the stock market in Amsterdam. Estimates vary, but it appears that something like two-fifths of the total value of the stock market is held in private hands.

Over the years the authorities have clearly encouraged investment. Dividend controls and capital gains taxes are an unknown quantity, and dealing expenses—which in London alone have done so much to crowd out the individual investor—are relatively modest.

Many market operators, the banks especially, argue that dealing charges are too low for

**DUTCH EQUITY MARKET**  
Top Ten Components

Company	%
Royal Dutch Petroleum	39.8
Phillips	8.9
Unilever	8.5
Algemene Bank	4.3
Amro Bank	3.6
Nationale Nederlanden	3.3
Heineken	2.1
Ned. Middenstandsbank	2.1
AKZO	1.9
Amey	1.2
Total top ten	75.7

Source: Capital International

comfort. The average commission on share transactions amounts to around 0.8 per cent of the amount invested. At least one major Dutch bank has been pruning its investment service operations on the grounds that it can no longer afford to operate in business as a loss leader.

One of the technical disadvantages for the market maker in Amsterdam is the relatively low number of shares quoted which lessens the possibility of a continuous flow of two-way business. When the major international stocks are out of favour, trading activity tends to slide all too easily into the doldrums.

In the 10 years to the end of 1977, intense industrial integration, plus the odd business failure, effectively halved the number of shares quoted.

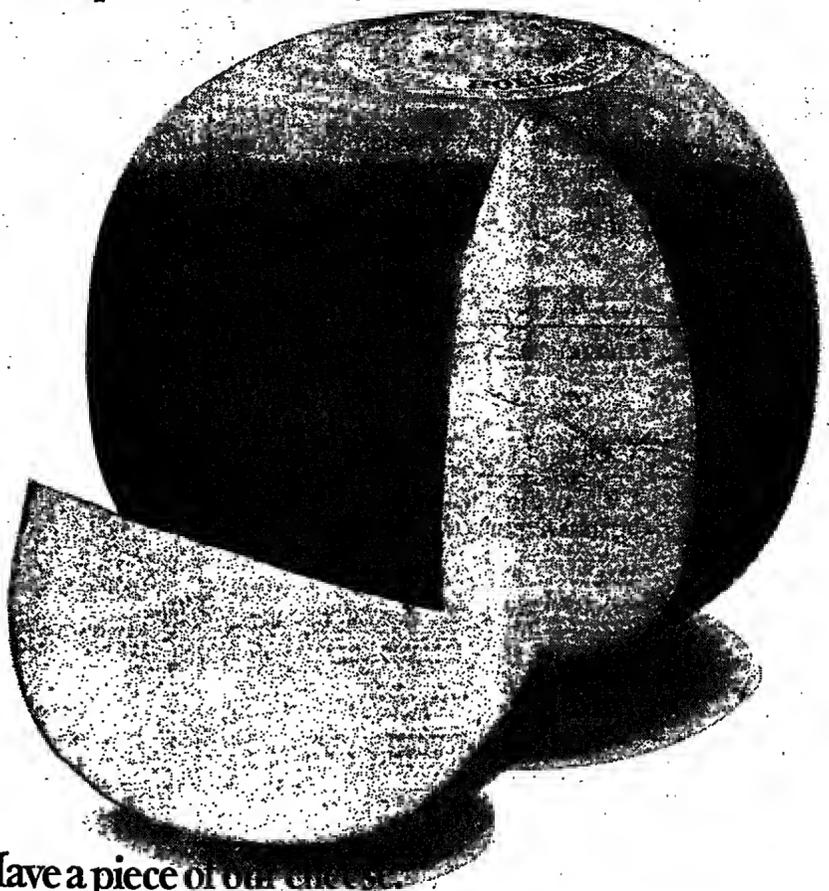
For what it's worth, the performance of the Dutch stock market this year has not been out of step with Europe in general. In fact, the first six months of 1979 produced a relatively resilient showing, according to statistics compiled by Capital International.

Over the January to June period, the Capital International world index was up 4 per cent with the Netherlands comfortably in excess of this with a gain of 7.7 per cent. In contrast, West Germany was lagging by 12.7 per cent in the six months.

Among individual Dutch shares, Heineken was a notable laggard with a six-month decline of more than a tenth, while Royal Dutch Petroleum could boast a gain of more than a fifth.

J.B.

Dutch imports: around Dfl. 115,000 million.  
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The Rotterdam Stock Exchange

Before the Olympic Games the Greek athletes in antiquity implored the assistance and services of Zeus

The sacrifices were made at the temple of Zeus in Olympia, where the statue of Zeus, that was more than 10 metres high, was situated. Athens's most famous sculptor, Phidias, has designed it and executed it in gold and ivory. All classical writers consider this statue Phidias' masterpiece.



The temple of Zeus in Olympia One of the Seven Wonders of the World

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## Powers

CONTINUED FROM PREVIOUS PAGE

banks to boost their solvency ratios through share issues. The role of shareholders' funds to back-bearing assets has fallen badly to 7.4 per cent in the first quarter of 1978 after having risen over 17 per cent 10 years earlier.

The bank has continually been lowering its requirements over that time but has now decided to draw the line. The new Act is given the bank much greater powers than before to enforce its prudential controls. Its instructions are displayed in a credit institution into "secret receivership" - which means that the institution concerned must refer all decisions to a secret receiver appointed by the bank. It can publish any desired instructions. It can also steps to engage another, financially strong, institution to support to a weak one.

Interestingly, the new Act so makes specific provision for international bank regulation which is now the subject so much discussion in Basle elsewhere. The Act allows the banks to relay data relevant to prudential control bank supervisory authorities other countries. The president of the bank, Dr. Jelle Bistra, who is also head of a Bank for International

Settlements, is a strong advocate of improved monitoring of internationally consolidated bank balance sheets.

So much for the central bank's tight grip on the domestic banking scene. The other aspect of the bank's supervision concerns foreign banking. Traditionally Holland has been an exporter of capital and also an entrepot centre for international banking flows. The international banking business in Holland grew rapidly in the late sixties and early seventies during the period of current account surpluses created by the country's gas wealth.

**Abroad**

Recently the inflow of foreign banks has slowed right down. But at the end of 1978 assets abroad accounted for one-third of the Dutch banking system's assets and liabilities abroad. Much of this out-to-out business was denominated in other currencies, but in the international deployment of its own currency Holland ranks third in Europe behind Germany and Switzerland, according to the OECD.

The bank adopts a liberal attitude towards this out-to-out business - that is, borrowing funds abroad for re-lending to

foreigners. There are no reserve requirements or tax obstacles to such business and participation in internationally syndicated loans is subject only to general authorisation.

The chief aim of the bank's regulatory stance is to encourage capital export and re-export, but to discourage capital imports and to limit the adoption of the guildler as an international reserve asset. To this end the bank applies a (recently liberalised) rule which now states that the external liabilities of the Dutch commercial banks may not exceed their external assets by more than 21.33% (31.67%). This type of control is enshrined in the new Act. Other measures to prevent capital inflows include restrictions on borrowing abroad by Dutch non-banks and from time to time restrictions on all types of deposit and on interest payments to foreign depositors with Dutch banks.

Finally, in order to limit the total quantity of Euro-guilder securities outstanding, the bank operates a quiet system for public issues and private placements by non-residents and, in the case of private placements, preserves some influence over terms and conditions.

Nicholas Colchester

AM05228

# DUTCH CAPITAL MARKET VIII

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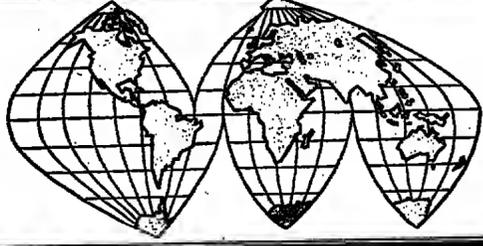
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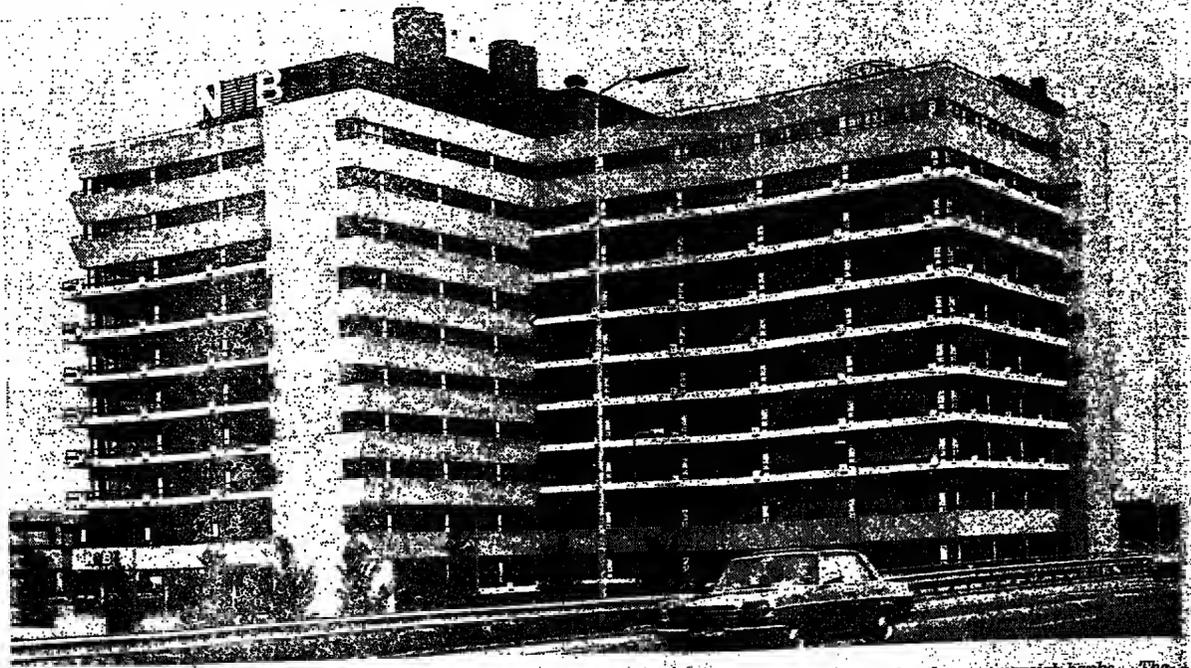
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In recent years, the savings institutions of the Netherlands have seen their market share eaten into by the commercial banks. The Nederlandsche Middenstandsbank in Amsterdam (above) is the prime example of a commercial bank with an affiliated savings subsidiary.

# Savings banks become a major force

THE SAVINGS and co-operative banks in the Netherlands tend, like their counterparts elsewhere, to keep a fairly low profile. While their lack of a Stock Exchange quotation and the apparently unglamorous character of their operations mean they escape the public scrutiny to which their publicly quoted rivals are subject, they have become a major force in the Dutch banking world.

In the Netherlands, four main groups compete on the savings market. The largest is formed by the agricultural co-operatives—principally the Rabobank, with a few smaller institutions led by the Friesland Bank Co-operative. Together they accounted for 42 per cent of the savings market in 1978.

The rapidly growing activities of the general commercial banks, such as the Algemene Bank Nederland and the Amsterdam-Rotterdam Bank, have pushed them into second place with 24.3 per cent of the savings market. The commercial banks' discovery of the private customer has fundamentally changed the face of banking and created considerable competition for the traditional savings banks.

The commercial banks are followed by the 99 or so savings banks which are linked through the Nederlandse Spaarbankbond—the association of savings banks which was founded in 1907.

The association has seen the number of individual banks affiliated to it fall from around 350 at the beginning of the century to the present level. The process of mergers is continuing, however, as larger units are formed in the major cities.

The numbers are expected to stabilise. The savings banks proper account for 17.1 per cent of the market.

The Post Office Savings Bank has 14.9 per cent of the savings market. Plans to merge the bank with the Post Office cheque and giro system have been under discussion for several years now and a final set of proposals may be presented within a few weeks.

### Merger

The centre-right Government appears to have dropped the previous left-leaning coalition's plans to make the bank into an aggressive competitor in most areas of banking—including the hitherto untouched area of commercial credits—in favour of a less radical merger of their present activities.

The remainder of the savings market—1.8 per cent—is accounted for by savings banks affiliated to the commercial banks—of which the Nederlandsche Middenstandsbank's savings subsidiary is the prime example.

All the other savings institutions have seen their market share eaten into by the commercial banks in recent years. The commercial banks increased their share by about a third between 1974-78. Rabobank and other agricultural co-operatives saw their share decline slightly from 42.6 per cent in 1976 to 42 per cent last year.

The savings banks fell from 19.3 to 17.1 per cent, while the Post Office Savings Bank declined from 17.3 to 14.9 per cent.

All sectors took part, though in the absolute increase in sav-

ings deposits from a combined Fl 66.5bn in 1976 to Fl 93.7bn (\$43.3bn), last year. The savings banks rose by Fl 2.8bn to Fl 16bn, the Post Office Savings Bank by Fl 2.4bn to Fl 13.9bn and the agricultural co-operatives by Fl 11.1bn to Fl 30.4bn.

This sizeable market has come under pressure, though, in recent years the savings banks association noted in its latest annual report savings as a share of national income fell sharply from around 20 per cent in 1974 to only 14 per cent in 1978. This was largely due to a decline in savings by the Government, companies and the social insurance funds.

Family savings levels have also fallen, however. Savings, as a share of disposable family incomes, fell to 13.5 per cent in 1978 from 16.6 per cent in 1974. The considerable investments required to revive Dutch industry and improve its competitiveness on foreign markets must, to an extent, be met from family savings.

The association is in favour of more encouragement of savings. It welcomed the recent decision to free the first Fl 200 (\$100) interest on savings deposits from tax, but called for the tax limits to be raised to at least Fl 1,000.

The relatively modest position of the savings banks proper in the total Dutch savings market compared, for example, with their West German counterparts, is largely due to restrictions on the granting of commercial credits by the Dutch banks. While the savings banks' earnings on pure savings business in the Netherlands are not liable for corporation tax, other business does carry the normal tax charge.

The banks would face a considerable tax bill if they were to broaden their activities in this way. Nevertheless, the savings banks are now considering very carefully whether to go into this market, said Mr. W. F. van Leeuwen, deputy director at the Savings Banks Association.

Not that the savings banks have been standing still in recent years. The development of transfers by cheque, which led to most large companies paying wage packets directly into their employees' bank accounts, changed the face of the savings banks. They became money managers for their clients, moving into mortgage lending with the recent increase in home ownership and subsequently offering allied services, such as insurance.

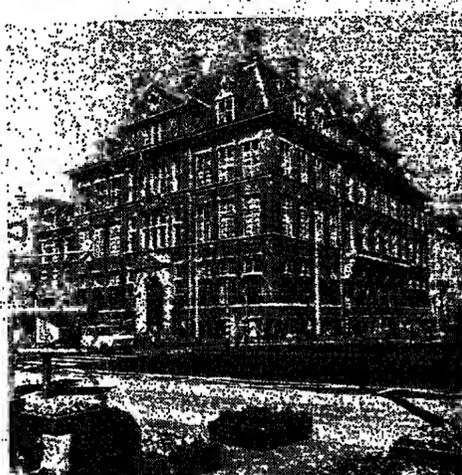
A typical savings bank will now offer deposit and savings accounts, savings deposits and certificates, mortgages, continuous credits, personal loans, home improvement loans, insurance, package holidays, foreign currencies and security transactions.

The largest of the Savings Banks Association members, the newly-formed Centraalbank, has a balance sheet total of Fl 2.9bn (\$1.45bn), which makes it considerably larger than many of the smaller commercial banks.

The bank, which assumed its present form in March, represents a merger of eight smaller banks in and around Amsterdam. Centraalbank now has more than 120 branches and 896,300 customers' accounts.

The Savings Bank Association expects the mergers to continue as the smaller banks scale up to meet the rising costs of the computers and other tools of modern banking and to pool skilled staffs. The revised law on the supervision of the credit system, which came into effect in January, is expected to speed up this process.

This law lays down a



The agricultural co-operatives are among the larger groups competing for the savings market. 59 of the just-growing activities of the general banks, such as the Algemene Bank Nederland, (above), and the Amsterdam-Rotterdam Bank, have pushed them into second place with 24.3 per cent of the savings market.

minimum asset level of Fl 500,000 for a bank to be granted a licence, and some of the smaller savings banks do not meet this requirement. The demand that a bank should have more than one senior director would also pose problems for many of the savings banks in their present form, and this requirement, too, can be expected to lead to mergers.

A similar process is under way at the Rabobank where the number of affiliated banks fell to 1,000 in 1978 from 1,200 at the time of the founding of the bank in its present form, in 1971.

The Rabobank resulted from the merger of two independent agricultural co-operative banks, the Co-operative Centrale Raiffeisenbank and the Co-operative Centrale Boerenleenbank.

The bank is now rationalising the branch network it inherited from these two institutions. Rabobank, too, has extended its range of services. It offers to compete with the commercial banks. It now ranks number two in the Netherlands, with a balance sheet total of Fl 74.2bn in 1978.

While the structure of the Rabobank is similar to that of the savings banks—with member-banks operating with fair degree of autonomy—it is built up a stronger headquarters operation, based in Utrecht. This has enabled it to expand internationally over the past few years.



H. van der Veen    C.W. Soethout    A.J. Mak van Waay    C.G. van Hardeveld    A.N. Kahrel    P.J.M. Sneekes

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The break-up of the anti-Gandhi coalition: By K. K. Sharma in New Delhi

# A factional dogfight

THE PROPHETS of doom have been proved right. 28 months after the Janata Party was born, among them Mrs. Indira Gandhi, whom it ousted as Prime Minister of India. The Janata Party, formed by the fusion of the Congress Party and other groups which have espoused openly, has disintegrated. It presents a new picture of internal chaos and confusion. The party is now a collection of factions, each with its own agenda and its own leader. The party is now a collection of factions, each with its own agenda and its own leader. The party is now a collection of factions, each with its own agenda and its own leader.

ing up charges of abuse of power during her 18-month emergency rule. Mrs. Gandhi has fought a remarkable rear-guard action. Unerringly she plucked the issues of Janata's identity and failure to govern and the rights of the underprivileged and minorities. These are indeed the issues on which the final onslaught on Mr. Desai was mounted.

## Defection ploy

The ministers belonged to the other factions in the Janata Party. They included Mr. H. N. Bahuguna, Minister for Petroleum and Chemicals, of the Congress for Democracy group. A shrewd politician with a curious gift of political presence, Mr. Bahuguna was instrumental in Mrs. Gandhi's defeat in 1977 by luring Mr. Jagjivan Ram—then her Defence Minister—to defect from her Congress Party.

weeks ago. Mr. Narain led a flood of defectors from the Janata (S). It is a formidable force. Mr. Narain claimed it was the largest group in Parliament next to the now disintegrated Janata. He has even staked a claim that the Janata (S) should form the next Government. At the moment he is not being taken seriously, but yesterday he again identified himself with his former mentor, Mr. Charan Singh. The position of the latter is thus considerably strengthened.

One must also not ignore the official opposition in parliament, the Congress (I) led by Mrs. Gandhi. It was the Congress, moved last week that sparked off the present defections from the Janata. If, as is commonly believed, the next Government is a coalition of "like-minded" secular and democratic forces, the support of the Congress parliamentary party led by Mr. Y. B. Chavan could be crucial. Mrs. Gandhi's Congress (I) has hardly any role to play yet. She is interested mainly in the withdrawal of the case brought against her (she is due to appear on Wednesday before a special court) and she is aware that any Government that is formed will not forgive her.



Jagjivan Ram, 71, perhaps the most experienced politician in India, has been in the central cabinet since independence in 1947 with only short breaks in 1962 when Nehru dropped him, and 1977. As a Harijan (untouchable), he commanded the allegiance of all minorities. He is possibly the only major contender acceptable to southern India. Jagjivan Ram has held almost every key portfolio except finance. Known popularly as "Babul", Jagjivan Ram lost the race to become Prime Minister in 1977 to Desai. One of the obstacles in his way—as in the case of most senior Indian politicians—are scandals in which his son has been involved.

Charan Singh, 76, champion of the peasantry, has his base in the politically key state of Uttar Pradesh, where he has been Chief Minister twice. He has a reputation for breaking up parties he belongs to. He broke with Jawaharlal Nehru because of their different assessments of the economic situation, then went on to pursue his own view of "Gandhian economics." The burden of it is that India's problems can be solved only by attending to agriculture, not to heavy industry. Charan Singh has hardly travelled and cares little about foreign policy. If he became Prime Minister, India might figure less prominently in international politics.

Hemwati Nandan Bahuguna, 58, is the youngest contender and for this reason the least likely to succeed. Of distinct leftwing leanings, Mr. Bahuguna is among the few senior politicians trusted by the Muslims and minorities. Mr. Bahuguna was once Indira Gandhi's most trusted ally. She made him Chief Minister of the state of Uttar Pradesh from 1974 to 1976 but they quarrelled during the emergency. By starting a new party — Congress for Democracy — to which many congressmen flocked, he dealt Mrs. Gandhi a severe blow. He is considered a good administrator with a remarkable capacity for hard work, and one of the few successes of the Janata cabinet.

## Letters to the Editor

### Knock-for-knock outdated

From the General Manager, Automobile Association Insurance Services.

Sir—I have followed with interest the articles concerning the revision of knock-for-knock agreement and the effect it will have on the motor insurance industry. The insurance industry has been successful in its efforts to secure a more equitable and just relationship between the motorist and the insurer. The insurer's objective is a fair allocation of premium. This cannot be challenged as it stems from a basic principle of insurance that contributions to the central premium fund should bear some real relationship to the likely call upon that fund. Equally fleet operators appear to have a justifiable objection because the market agreement effectively limits their freedom of choice to purchase a particular level of insurance cover.

### Prosperous farmers?

From Mr. M. Colston.

Sir—John Cherrington states (July 11): "The situation now that farming is prosperous...". It would be interesting to hear whether he agrees that, with a crop and increased prices, now is the time for us to join the EMS. It would ensure the reduction in imports he foresees, and put our trading relations with our EEC partners on a stable basis.

### Capital costs of energy

From Mr. K. McKenzie.

Sir—There is considerable interest in the efficient use of energy in the use of cars and other road transport. I believe that your contributors have focused on the "running" cost in terms of energy, a type of assessment which may be reduced, at least in theory, to a "miles per gallon" or "miles per unit of energy" evaluation, in relation to payload.

### Small firms and unemployment

From Mr. R. Musgrave.

Sir—The current attention given to small firms derives largely from fashion rather than logic, and your leading article of July 12 on the subject did nothing to spell out whatever logic there is in the small firms craze.

## Today's Events

- UK—Power engineers pay talks with Electricity Council.
- Trades Union Congress conference on race relations, Coopers House, London.
- Sir Richard Marsh, Newspaper Publishers Association chairman, speaks at American Chamber of Commerce luncheon, London.
- Milk Marketing Board publishes annual report.
- Mr. John Moore, Department of Energy Parliamentary Under-Secretary, and Mr. Patrick Gillam, BP trading director, speak at Institute of Purchasing and Supply London conference on "oil—how serious a crisis?"
- Overseas—First session of new European Parliament, Strasbourg (until July 19).
- International Air Transport Association meets in Geneva to debate rise in air fares.
- U.S. auctions 750,000 ounces of gold in Washington.
- PARLIAMENTARY BUSINESS
- House of Commons—Emergency debate on Shotton steelworks closure. Debate on motion on reducing public services for those who need them most.
- Northern Ireland Orders on Pneumoconiosis.
- Capital Transfer Tax, and tattooing of minors. Opposed private business.
- House of Lords—Law Reform (Miscellaneous Provisions) Scotland Bill, committee. Education Bill, second reading. Hypnotism Bill, second reading. Debate on Dioxin.
- COMPANY MEETINGS
- Allied Breweries, 20, Alderbury, EC, 2.30. Churchill Estates, Connaught Rooms, Great Queen Street, WC, 12.30. Dom Holdings, Great Eastern Hotel, Liverpool Street, EC, 12. Hambros Investment Trust, 41, Bishopsgate, EC, 11.30. Whitbread Investment, The Brewery, Chiswell Street, EC, 12.30.
- COMPANY RESULTS
- Final dividends—Allied Colloids, Black Arrow Group, Peter Brotherhood, H.A.T. Group, Heron Motor Group, Hogg Robinson Group, Jones, Stroud & Co., Muller and Sons.

### Joining the EMS

From Mr. W. Walker-Watson.

Sir—The prediction (July 9) by Messrs. Burge and Co's Economic Adviser that recent currency and tax policies may encourage imports to fall is encouraging news. But when he suggests that we must look further into the future when assessing the full effect of current policy changes, he makes no reference to the probability of our adopting the European Monetary System.

### The road to metrication

From the Director Metrication Board.

Sir—Roy Jenkins of Gloucester (July 9) is right when he says a French housewife may ask for a "livre" of apples. But although the word is an old one she is in fact buying the metric quantity of 500 grams.

### Lease rental payments

From Mr. S. Evans Jnr.

Sir—In your issue of July 10 Messrs. French and Lafferty discuss the structuring of lease rental payments for Court Line. It is implied that "step rentals" were responsible for the lack of a complete and useful financial picture in the balance-sheet of Court Line. Each almost certainly was not the case. Step rentals are analogous to periods of partial or complete grace in repayment of a loan; they do nothing more than permit a lessee to accommodate a time of reduced cash flow available to make rent payments, whether at the outset of the lease or further into its term. Such payment structures reflect the lessee's assessment of the lessee's ability ultimately to fully amortise the lease obligation.

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We at Pullman Kellogg feel doubly honoured and doubly privileged to announce our second consecutive Queen's Award for Export Achievement.

The awards stand in bold testimony to the hard work by the people of the Pullman Kellogg Division of Pullman Incorporated in the United Kingdom. Work that has led to a substantial increase in exports during 1975, 1976, and 1977.

Plants designed and engineered by Kellogg people in the U.K. are located throughout Europe, the Middle East, and Africa. And much of the equipment and materials exported to the construction sites is procured by Kellogg from British manufacturers with financing assistance by British institutions.

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# Rank tops £64m midway and sees rise for year

PRE-TAX profits up from £57.3m to £64.4m are reported by the Rank Organisation for the 26 weeks ended May 12, 1979. The directors expect the improvement to continue and say pre-tax profit for the year should show an increase over the previous year's £121.9m.

However, the steady progress in the increase of profitability of operations directly controlled by Rank during recent years received a temporary setback in the first half, the directors say.

Trading profit for the group's own operations amounted to £7.6m, a disappointing result compared with last year's £12.2m, and was mainly due to the severe winter and the transport strike. Both the leisure and manufacturing activities in the UK were affected.

Overseas, the Australian subsidiary has yet to benefit from its recent acquisitions while profit margins in the television market remain inadequate. Stated earnings per 25p share are 16.5p against 15.6p. The interim dividend is raised from 4p to 4.5p and the Board says the removal of dividend restraints will enable the total dividend to be considered on the basis of the group's performance rather than on the statutory basis.

At the time of the January rights issue, the directors intended to pay dividend totalling 10.7p for the current year. The previous total was 8.977p.

The results exclude Butlin's, as usual, and Leisure Caravan Parks. SSAP 12 has been adopted and additional depreciation is allowed of £20,000. Comparisons are restated to allow for additional depreciation of £190,000.

Rank Xerox results are favourably affected by currency movements of about £6.5m. Excluding this factor, underlying growth was 10 per cent. The directors continued to sell properties and sites no longer required for development, realising over £2m.

Rank Hotels improved over



Mr. Harry Smith, chairman of Rank Organisation

the previous year with the London hotels performing particularly well and the level of bookings from overseas remaining high.

Top Rank clubs traded well overall and exciting operations are now benefiting from new rental concessions.

The film studios at Pinewood, after a slow start, are now fully occupied and will remain so beyond the year end.

Turnover of Rank Precision Industries was lower at £18.64m against £25.57m but pre-tax profits were ahead at £35.61m compared with £31.03m. An interim dividend of 9p per share is declared absorbing £4m, an increase of 20 per cent on the previous year's interim payment.

Demund for Taylor Hobson products continues at a high level but certain overseas contracts for Pullin Controls night-vision equipment have been delayed.

Rank Toshiba, which commenced trading on November 1, is fulfilling expectations and production is running at budgeted levels.

Profit margins from marketing television and audio products continue to be under pressure

but results are now improving after a slow start to the year.

The difficulties experienced at the beginning of the year also affected Rank Audio Visual but a recovery is expected by the year end. Agencies for Akai and Hotel products, where profits were unsatisfactory, have been discontinued.

Sales of Wharfedale hi-fi speakers are buoyant and exports are expanding.

Earnings per share before extraordinary items are stated as 3.952p against 3.177p. The final dividend is again 1.53p, maintaining the total at 2.225p.

When reporting first half profits down from £4.13m to £3.32m, the directors said trading conditions in the UK were not so good in the first quarter but picked up in the second quarter and the improvement was continuing.

They now say that UK operations were buoyant but export profits, severely affected by the weakness of the dollar and other currencies, were aggravated by the transport strike and the closure of the docks in the last quarter of the year.

Of the divisional results, the Industrial Holdings division showed a satisfactory improvement over last year and LRC Products, also in its first year of operation following the re-organisation of divisions, produced UK sales up 21.5 per cent.

LRC Overseas was heavily influenced by profit losses in Iran and Canada (North America division) had an unsatisfactory first half but showed a good recovery in the second quarter. Economic turned in excellent results showing a profit increase of over one-third above the prior year.

The continuing strength of sterling is posing a serious challenge to the group, particularly in the American and Far East export markets the directors say.

Having largely completed the latest capital development programme, the group's Malaysian plant—now producing on target—is providing essential glove supplies to the European and export markets.

comment

The year-end figures from LRC International are as expected, but nevertheless disappointing. Pre-tax profits are down for the second year in a row, this time by 11.8 per cent. Group sales are up by only 6 per cent; the reason for the small increase is the loss of the ethical drugs operation, Pharmax, sold last year. The Indian and Nigerian subsidiaries have been deconsolidated at a loss of £313,000. The French and German subsidiaries (DEPEX and Fraga) have been closed after operating difficulties, at a loss of £530,000. Further losses have resulted from a decline in exports and the problems of converting overseas profits, both because of a stronger pound. The latter problem has been particularly true of U.S. profits. The dividend for 1979 remains at its 1978 level of 2.225p, just barely covered. The p/e is 8.5 at 27.7p, while the yield is 12.2 per cent.

The group also announces that it has reached agreement to acquire the capital of B. A. 211m. The consideration of £23,470 will be satisfied by the issue of 202,450 ordinary shares.

An additional £47,500 will be paid should pre-tax profits in the 18-month period to June 30, 1980, attain £110,000, plus 50 per cent of any excess profit up to a maximum of £25,000 further consideration, and will be payable in either shares or cash.

Turnover and profits before tax of Pinewood for the 1978 year were £1,082,000 and £64,000 respectively. Net tangible assets were £238,000.

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## HIGHLIGHTS

Rank Organisation has produced figures which show high half-time profits but this disguises a setback at non-xerox subsidiaries. Rank-Xerox associates have shown good increases. Philips Lamp has finally decided to make a bid for the minority of Pye after considering and rejecting various alternative proposals. Lex also considers yesterday's economic statistics including some trade figures which are not nearly as good as they look. Elsewhere it was a bad day for Ladbroke which lost its fight to hold onto its casino licences. Lex looks at the considerations for the share price. Elsewhere Associated Leisure has produced good results and comments are made on LRC, Ratners, Crown House and Montague Meyer.

## LRC profit down 11.8%: dividend held

SALES of LRC International, the home health care and leisure products group, rose 6 per cent from £93.2m to £98.9m in the year ended March 31, 1979, but pre-tax profits were down 11.8 per cent from £6.57m to £5.86m.

The directors say that £470,000 of the £788,000 downturn was accounted for by the disposal of Pharmax, the move to associate status of the Indian and Nigerian companies no longer consolidated as subsidiaries, and changes in conversion rates on overseas profits.

Earnings per share before extraordinary items are stated as 3.952p against 3.177p. The final dividend is again 1.53p, maintaining the total at 2.225p.

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comment

# Assoc. Leisure ends year 42% ahead at £4.97m

TAXABLE profits of Associated Leisure finished the 53 weeks to March 18, 1979 ahead by 42 per cent at a record £4.97m, against £3.49m for the previous year.

Turnover rose 53 per cent from £1.88m to £2.81m.

At the interim stage the directors said that although the recent acquisitions had a seasonal bias in favour of the first half profits were up from £1.63m to £2.88m—they were confident that progress would continue for the rest of the year.

They now say that all divisions contributed to the improved result for the full period.

Earnings are shown as 12.06p (19.5p) per 5p share and the dividend is stepped up to 4.25p (3.0185p) net with a 2.75p final revalue.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre. Total for year	Total last year
Alexanders Discnt. int.	4.5	Aug. 10	1.77	4.25
Assoc. Leisure	2.75	—	0.57	—
Brentnall Beaset	0.12	—	2.8	4.5
Crown House	0.31	Sept. 3	0.28	—
Dewhurst & Ptnr. int.	9.6	Nov. 2	8	—
K. Kershaw	1.33	Nov. 21	1.14	—
Leda Inv. Trst.	1.33	Sept. 10	1.33	—
R. H. Lowe	1.53	Oct. 1	1.53	2.23
Meggitt	0.42	Oct. 8	0.22	0.64
Montague Meyer	3.75	—	3.77	5.76
Rank Orgn.	4.8	Nov. 2	0.19	2.76
Ratners	1.93	Aug. 15	4	12
Riverview Rbr. 2nd int.	4	Sept. 7	0.65	2.3
Vinten	0.54	Aug. 20	0.89	1.10

Dividends shown in pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Malaysian cents.

## R. H. Lowe mid term progress

PROFITS BEFORE tax of Robert H. Lowe and Co., clothing manufacturer, progressed from £216,002 to £231,471 for the half year to April 27, 1979, on turnover of £3.27m compared with £2.81m.

The interim dividend per 25p share is maintained at 1.33p net—last year's total was 4.355p on £497,660 pre-tax profit. A one-for-one scrip issue is also proposed.

## Rise in new business at Sun Life

TOTAL new annual premium income of the Sun Life Assurance Group for the first six months of 1979 rose 23 per cent from £14.1m to £17.7m. Single premiums increased 18 per cent from £15.2m to £17.9m.

For pensions business, including policies for the self-employed, new annual premium income was up 22 per cent to £13.3m (£10.8m) and single premium income was

UK COMPANY NEWS

Ratners expansion to £2.56m: UK sales up

Meyer upsurge in second half

ROFTS before tax of Ratners Jewellers rose 21 per cent from £1.58m to £2.56m in the year ended April 6, 1979, on higher sales of £19.31m compared with £15.5m.

Sales in the UK were 20 per cent higher at £18.48m net of VAT, against £15.33m and margins which suffered badly last year have recovered to their former levels, the directors say.

A year's good trading and elimination of dividend controls have given the opportunity of increasing the dividend to a more realistic level. The final dividend is £0.225p, effectively a 50 per cent increase on the £0.15p paid in 1978.

A further one-for-two split issue is also proposed.

At the time of last September's issue, the directors were expecting to pay a total dividend of £2.345p.

The directors say that in the current year, sales have got off a very good start and although it is too early to make a forecast, they are confident about the outcome for the current year of £21.477 before tax. Excluding extraordinary items, earnings per share are shown at 12.16p against 7.41p.

The surplus was entirely from proceeds of favourable sale and lease-back arrangements on shops occupied by the group. Six new shops were opened during the year and since the year-end, seven shops were acquired.

Several units are in advanced stages of negotiation and the board plans that by Christmas, 26 branches will be fully operating.

tax profits at Ratners compares favourably with H. Samuel's 29 per cent increase in the year to February. The 20 per cent rise in group turnover reflects solid UK sales and a successful programme of expansion and rationalisation. Ratners plans to have 128 branches operating by Christmas. The group's Dutch operations suffered from a hard winter and a lagging economy, but sales are up 33 per cent since the start of the current year. The fluctuation of gold prices will probably not affect Ratners much since most sales are in lightweight jewellery. Ratners has boosted its final dividend for 1978 up to 4p, an increase of more than 500 per cent over last year, with a cover of more than three. The yield is 3.7 per cent at 100p and the p/e is 5.5. The successful management and expanded operations make the Ratners share an attractive buy.

The group was nearing completion of an extra building to expand the fabricating facilities of the heavy machine shop. This was likely to come on full stream by the year-end and the work forecast for the section was encouraging.

A SECOND half rise from £5.48m to £7.45m lifted taxable profits of Montagu L. Meyer, timber merchant, to a record £15.45m for the March 31, 1979 year, against £12.95m.

The directors say the current year has started better than last year, and this improvement should continue. June turnover has been a record, they add.

Turnover for 1978/79 rose from £247m to £277m.

After a low tax charge, £1.97m compared with a previous £5.66m, earnings are stated as being well up at 23.3p (12.7p) per 25p share. Based on a 52 per cent charge they are shown as 12.6p (10.7p).

The dividend is increased to 5.75p (4.67311p) net with a final payment of 3.75p.

The directors say there were better contributions from most UK activities, particularly manufacture.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Intarins-Benifonda, Bochum Engineering, Glegg Elevator, Midrum Investment Trust, Yule Cans.

Friday—Allied Colloids, Birmingham Mint, Black Arrow, Pater Brotherhood, H.A.T. Heron Motor, Hoop Robinson, Magnet and Southern, Oil and Associated Investment Trust, Stroud Riley Drummond, Treford Carpus, Unigate.

FUTURE DATES

Intarins—Benifonda, Bochum Engineering, Glegg Elevator, Midrum Investment Trust, Yule Cans.

Friday—Allied Colloids, Birmingham Mint, Black Arrow, Pater Brotherhood, H.A.T. Heron Motor, Hoop Robinson, Magnet and Southern, Oil and Associated Investment Trust, Stroud Riley Drummond, Treford Carpus, Unigate.

First half increase at Wearra

FOR THE six months to March 31, 1979 Wearra Group, footwear manufacturer and distributor, reports pre-tax profits ahead from £178,000 to £222,000. The directors state that they are hopeful that the first half progress will be maintained. Profit for the last full year was £441,000.

First half profit was struck on turnover of £4.13m (£3.41m) and was after interest of £37,000 (£11,000). Tax for the period took £9,000 (same).

The net interim dividend is stepped up from 0.447p to 0.537p. Last year's final payment was 1.012p.

£57,877 loss for G. B. Kent

G. B. Kent and Sons, brush maker, incurred a taxable loss of £57,877 in 1978, compared with a £31,312 profit last year.

Turnover was essentially ahead at £1.82m, against £1.87m. There is a tax credit of £14,081, compared with a £12,936 charge.

A dividend of 3.5 per cent was paid on preference shares on March 31, but there was no participating element. There is again no payment on ordinary shares.

The ultimate holding company is Cosby Hygiene & Reliable Bristlebrush.

Dewhurst & Partner rises midway

On turnover just ahead from £1.91m to £2.05m, pre-tax profits of Dewhurst & Partner, electric control equipment manufacturer, advanced from £127,600 to £178,280 for the half year ended April 1, 1979.

After tax of £90,100 against a previous £66,350, earnings are shown as 1.16p (0.85p) per 10p share. The net interim dividend is increased from 0.275p to 0.32p—last year's final was 0.642p paid from record profits of £229,045.

Commercial Bk. of Near East

Results of the Commercial Bank of the Near East for the first six months of 1979 show an improvement compared with those for the same period last year.

And the directors say present indications are that profits for the full year will be at least as good as the previous year, when a £153,000 (£93,000) net profit was reported.

1978-79	1977-78
Turnover	277,000
Profit	22,827
Depreciation	3,072
Interest payable	2,819
Trading profit	14,445
Share of associates	1,008
Profit before tax	15,654
Tax	1,955
Net profit	13,699
Minority interest	248
Attributable	13,243
Preference dividends	10
Ordinary dividends	3,258

comment

A look at the rate of interest and tax paid by Montagu L. Meyer indicates a substantial upturn in softwood import and selling prices. The full impact of softwood price inflation has been masked, of course, by sterling's strength against the Swedish kroner (against which imports from the USSR are pegged) and partly considerations have been more marked since the end of the financial year. The rise in interest payments, however, largely reflects the build-up in stock levels after deliveries had been postponed during the January and February transport strike (which probably chopped profits by some £1m pre-tax) and Meyer will be looking to clip year-end gearing of 78 per cent to a more normal 70 per cent. Interest rates are clearly going to make an impact this year on a business which must finance its inventories on short term variable rate borrowings but the Hallam associate should be breaking even this time after a loss of £455,000 and, more importantly, Meyer and other timber majors will again show the industry's reducing volatility through greater exposure to the consumer in the DIY market. Funding considerations apparently dictate a twice-covered dividend on a CCA basis but the yield of 9.1 per cent at 85p, up 1p yesterday, offers

Deanson just ahead halfway

The directors of Deanson (Holdings), printer and stationer, report pre-tax profits of £124,000 for the half year ended March 31, 1979, against £115,000.

Despite fears about current economic conditions, they are hopeful profits for the full period will reach the £202,346 for 1978-79.

First half turnover rose from £1.68m to £2.34m and pre-tax figure was subject to tax of £84,000 compared with £59,000. Last year the company paid a 2.34p net dividend.

As part of the group's current reorganisation programme in the print division, the directors have authorised some £350,000 of capital expenditure on new equipment.

It is hoped this will be in use early next year.

OUTWICH REPAYS

Of its \$2.5m loan, Outwich Investment Trust is repaying \$1.25m.



The annual report may be obtained from the company at 81/89 Farringdon Road, London, EC1M 3LH.

Results for the year ending 31st January

	1979	1978
	£ thousands	
Sales	31,938	24,934
Trading profit before taxation	4,904	3,871
Total funds employed	19,568	14,175
Earnings (net) per share	30.64p	27.52p

● Last year was increased our profits by over £1 million for the first time.

● Trading this year is at a most satisfactory level. We view the future with optimism.

Marcus J. Margulies, Chairman.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

August	13	October	15
September	10	November	12
December	10		

There is limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please contact:

The Financial Advertising Department  
on 01-248 8000 Ext. 424 or 389

Interim Results



Statement by the Chairman—Sir John Pile  
Half Year to 30th April 1979

The Company's consolidated accounts for the half year, compared with the same six months of 1978, show that:

- Group trading surplus was £77.3 mn., an increase of £12.8 mn. (19.8%);
- Group profit before tax was £68 mn., an increase of £9 mn. (15.2%);
- Group profit after tax was £54.8 mn., an increase of £6.5 mn. (13.4%).

While all Divisions produced better results it is the improved performance of our Tobacco and Food Divisions which largely accounts for the increase in trading surplus before interest over that of the depressed first half of last year. It would have been even better but for poor weather in the winter and spring, and for industrial disputes outside the group, the effects of which were felt both in the continuity of output and in the pattern of consumer spending.

The £77.3 mn. trading surplus is an historical cost figure. To assess the effect on it of inflation, we have calculated the consequences of higher depreciation charges and the cost of sales adjustment. Our estimates show that the former would be about £22 mn. (1978: £17 mn.) while the latter would be about £13 mn. (1978: £14 mn.). Together these two factors would represent about £35 mn. (45%) out of the trading surplus of £77 mn. compared with £31 mn. (48%) out of a surplus of £64 mn. in the first half of 1978.

In March, the Company sold its remaining holding of ordinary shares in B.A.T. Industries Ltd. The net profit on this sale is reflected in the increase in extraordinary items of £108 mn., and in attributable profits of £115 mn.

**Divisional Review**

Our TOBACCO DIVISION improved its profitability despite strong competitive activity in the cigarette market, the dominant feature of which continued to be the growth in sales of king size brands at the expense of small sizes of cigarettes. With the well received launch in January of Lambert & Butler King Size, the Division added a significant new member to its portfolio of successful brands in this sector.

In the PAPER, BOARD, PACKAGING AND ELASTICS DIVISION, demand for cigarette papers ran at a high level, and towards the end of the period our plastics interests experienced a significant upsurge in demand. Our board-making company traded at a loss throughout the half year but measures to restore it to profitability are well advanced. Mardon Packaging International Ltd., our associated company, again increased its profits.

The FOOD DIVISION'S results showed a substantial improvement over the depressed first half of the previous year. The severe winter and the road haulage dispute

affected operations in different ways; output was curtailed in several factories, but demand for processed foods increased as a result of the scarcity and high price of fresh vegetables. In the U.K. broiler market, prices strengthened towards the end of the period but the egg market remained weak. Our poultry interests in the U.S.A., however, had a successful half year.

Despite difficult trading conditions, the BREWERY DIVISION increased its volume sales and trading surplus. Its position in the expanding lager market was strengthened by the national introduction of Hofmeister, and its presence in the off-licence trade was extended through the acquisition of Roberts & Son (Worthing) Ltd. Construction of the Berkshire Brewery approached the final stages of completion with packaging already in operation.

**Year to 31st October 1979**

The June Budget was, I believe, a bold step towards the long-overdue strengthening of the U.K. economy from which the Company, with its broad spread of consumer-oriented businesses, stands to gain. The Company's results for the year as a whole, however, are influenced not only by the immediate impact of the Budget but by other factors such as

energy and raw material costs, the national industrial relations climate, and developments in the highly competitive markets in which we operate. Taking them all into account, I nevertheless expect our profits before tax to show an uplift on those of 1978.

**Interim Dividend**

In order to reduce the disparity between the rate of the interim dividend and that of the final dividend, the Directors have decided this year to declare an interim dividend of 2.75p per share (1978: 2.25p). Warrants will be dated 31st October 1979 and will be posted to those shareholders who are registered in the books of the Company at the close of business on 1st October 1979. The dividend will absorb £19.5 mn. compared with £15.9 mn. last year. This increase is being made only to reduce the difference between the size of the interim and that of the final dividend. It holds no implication for the total dividend rate for the year.

Summary of Consolidated Results

£ million	Half Year to 30th April 1979	Half Year to 30th April 1978
Total external sales	1,854.9	1,712.4
Composition of Group trading surplus:—		
Tobacco	39.9	32.2
Paper, Board, Packaging & Plastics	7.3	7.2
Food	12.9	8.8
Brewery	17.4	16.5
Effect of foreign currency changes	(6.1)	(8.2)
Group Trading Surplus (after charging depreciation of £211 million (1978: £177 million))	77.3	64.5
Group trading surplus—as above	77.3	64.5
Interest charges	(21.4)	(17.6)
Group trading surplus after interest	55.9	46.9
Investment income	12.1	12.1
Group Profit Before Taxation	68.0	59.0
Taxation	(13.2)	(10.7)
Group profit after taxation	54.8	48.3
Minority interests	(0.2)	(0.1)
Extraordinary items	54.6	48.2
Group Profit Attributable To The Parent Company	119.5	111
Earnings per share (including extraordinary items) before taxation	8.5p	8.3p
after taxation	7.7p	6.8p

IMPERIAL GROUP LIMITED

Imperial Group products include tobacco goods from W.D. & H.O. Wills, John Player and Sons and Ogden's; Ross Foods, Buxted Poultry, Golden Wonder Cereals, Smedley HP Foods, Young's Seafoods, Courage and John Smith's Beers.

All these bonds have been sold. This announcement appears as a matter of record only.



# Sociétés de Développement Régional

- Société de Développement Régional du Centre-Est CENTREST
- Société de Développement Régional du Sud-Est
- Société Alsacienne de Développement et d'Expansion SADE
- Société de Développement Régional du Nord et du Pas-de-Calais
- Société de Développement Régional de la Bretagne
- Société de Développement Régional Méditerranée
- Société de Développement Régional de Champagne CHAMPEX
- Société de Développement Régional de Normandie
- Société de Développement Régional de Centre et du Centre-Ouest SODECCO
- Société pour le Développement Economique du Centre et du Centre-Ouest SODECCO
- LORDEX SDR de Lorraine
- Société de Développement Régional de Picardie
- Société de Développement Régional du Sud-Ouest EXPANSO SDR
- Société de Développement Régional du Languedoc-Roussillon SODLER

## 24,000,000 European Units of Account

### 8 1/2 % Bonds due June 27, 1994

#### Unconditionally Guaranteed by the French Republic

- CRÉDIT LYONNAIS    BANQUE BRUXELLES LAMBERT S.A.    KREDIETBANK INTERNATIONAL GROUP
- ALGEMENE BANK NEDERLAND N.V.    BANQUE INTERNATIONALE A LUXEMBOURG S.A.    BANQUE NATIONALE DE PARIS
- BANQUE DE PARIS ET DES PAYS-BAS    BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK AKTIENGESELLSCHAFT
- COMMERZBANK AKTIENGESELLSCHAFT    CRÉDIT INDUSTRIEL ET COMMERCIAL
- GIROZENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT
- KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.    SOCIÉTÉ GÉNÉRALE
- SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.    WESTDEUTSCHE LANDESBANK GIROZENTRALE

All of these Notes having been sold, this announcement appears as a matter of record only.

# The Long-Term Credit Bank of Japan Finance N.V.

## U.S. \$ 50,000,000

### GUARANTEED FLOATING RATE NOTES DUE 1989

Unconditionally guaranteed as to payment of principal and interest by

# The Long-Term Credit Bank of Japan, Limited

(Kabushiki Kaisha Nippon Chōki Shōya Gōka) (A Japanese Corporation)

- CRÉDIT LYONNAIS    CREDIT SUISSE FIRST BOSTON LIMITED
- BANKERS TRUST INTERNATIONAL LIMITED    CHASE MANHATTAN LIMITED
- COMMERZBANK AKTIENGESELLSCHAFT    KREDIETBANK INTERNATIONAL GROUP
- MANUFACTURERS HANOVER LIMITED    SWISS BANK CORPORATION (OVERSEAS) LIMITED
- S.G. WARBURG & CO. LTD.    WESTDEUTSCHE LANDESBANK GIROZENTRALE

- Nippon European Bank S.A.    Dai-ichi Kangyo Bank Nederland N.V.    Mitsui Finance Europe Limited
- American Express    Daiwa Europe N.V.    Samuel Montagu & Co. Limited
- International Group    Richard Daus & Co. Bankers    Morgan Grenfell & Co. Limited
- A.E. Ames & Co. Limited    Den Danske Bank af 1871 Aktieselskab    Morgan Stanley International Limited
- Amsterdam-Rotterdam Bank N.V.    Den norske Creditbank    Nederlandische Middenstandsbank N.V.
- Andelsbanken A/S Danabank    Deutsche Girozentrale    Nelsbø, Thomson Limited
- Andersens Bank A.S.    -Deutsche Kommunalbank-    The Nikko (Luxembourg) S.A.
- Banca Halsey Stuart Shields Incorporated    Dewoay & Associés International    Namura Europe N.V.
- Banca Commerciale Italiana    Société Anonyme    Norddeutsche Landesbank Girozentrale
- Banca del Gottardo    The Development Bank of Singapore Limited    Nordische Landesbank
- Banca Nazionale del Lavoro    Development Finance Corporation of New Zealand    Nordiska Kreditbanken
- Banca Urquiza Hispano Americana Limited    DG BANK Deutsche Genossenschaftsbank    Paine Webber Jackson & Curtis
- Bank of America International Limited    BILION, Reed Overseas Corporation    Securities Limited
- Bank Garwiliers, Kurz, Bungenfer    Dominian Securities Limited    Smith Barney, Harris Upham & Co.
- Bank of Helsinki Ltd.    Oresdrer Bank Aktiengesellschaft    Souchon Merchant Banking Corporation
- Bank Julius Baer International Limited    Drexel Burnham Lambert Incorporated    Salomon Brothers International
- Bank Leu International Ltd.    E.F. Hutton & Co. N.V.    Sanwa Securities Co. Ltd.
- Bank Leumi le-Israel Group    Euroamobiliario S.p.A.    Scandinavian Bank Limited
- Bank Mees & Hoop NV    European Banking Company Limited    S.H. Schroder Wagg & Co. Limited
- The Bank of Bermuda, Ltd.    First Chicago Limited    Skandinaviska Enskilda Banken
- The Bank of Tokyo (Holland) N.V.    Robert Fleming & Co. Limited    N.V. Slovenburg's Bank
- Banque de Paris et des Pays-Bas    Fuji International Finance Limited    Smith Barney, Harris Upham & Co.
- Banque Populaire Suisse S.A. Luxembourg    Gafina International Ltd.    Societe Generale
- Banque Privée S.A.    Genossenschaftliche Zentralbank A.G.    Société Générale de Banque S.A.
- Banque Rothschild    Vienna    Société Privée de Gestion Financière et Foncière
- Banque de l'Union Européenne    Antony Gibbs Holdings Ltd.    Société Săcuară de Banque
- Banque Européenne de Tokyo S.A.    Girozentrale N.V.    Simons & Co.
- Banque Française du Commerce Extérieur    Development Finance Corporation of New Zealand    Sumitomo Finance International
- Banque Générale du Luxembourg S.A.    DG BANK Deutsche Genossenschaftsbank    Svenska Handelsbanken
- Banque de l'Indochine et du Suez    BILION, Reed Overseas Corporation    Swiss Bank Corporation
- Banque Internationale de Luxembourg S.A.    Dominian Securities Limited    Taiyo Kōka Finance Hongkong Limited
- Banque Nationale de Paris    Oresdrer Bank Aktiengesellschaft    Tokai Kyowa Morgan Grenfell Limited
- Banque de l'Union Européenne    Drexel Burnham Lambert Incorporated    Trade Development Bank (London Branch)
- Baring Brothers & Co. Limited    E.F. Hutton & Co. N.V.    Tredition International S.A.
- Reyterische Landesbank Girozentrale    Euroamobiliario S.p.A.    Trinkaus & Burkhart
- Bayerische Vereinsbank    First Chicago Limited    Union Bank of Finland Ltd.
- Berliner Handels- und Frankfurter Bank    Robert Fleming & Co. Limited    Union de Banques Arabes et Françaises
- Blyth Eastman Dillon & Co. International Limited    Fuji International Finance Limited    U.B.A.F.
- International Limited    Genossenschaftliche Zentralbank A.G.    United Overseas Bank Limited, Singapore
- Caixa Central de Banques Populares    Vienna    Vereins- und Westbank Aktiengesellschaft
- Caisse des Dépôts et Consignations    Antony Gibbs Holdings Ltd.    Vontobel & Co.
- Centrale Robobank    Girozentrale N.V.    Williams, Glyn & Co.
- Chemical Bank International Group    Development Finance Corporation of New Zealand    Dean Witter Reynolds International
- Christiana Bank Og Kreditkasse    BILION, Reed Overseas Corporation    Wood Gundy Limited
- Citicorp International Group    Dominian Securities Limited    Yamaichi International (Nederland) N.V.
- Clarendon Bank    Oresdrer Bank Aktiengesellschaft    Mitsui Bank (Europe) S.A.
- Continental Illinois Limited    E.F. Hutton & Co. N.V.    Lazard Frères et Cie
- Copenhagen Handelsbank    Euroamobiliario S.p.A.    McLeod Young Weir International
- County Bank Limited    European Banking Company Limited    Limited
- Credit Agricole    First Chicago Limited    Lloyds Bank International Limited
- Credit Commercial de France    Robert Fleming & Co. Limited    London & Continental Bankers Limited
- Credit Industriel et Commercial    Fuji International Finance Limited    LTCC Asia Limited
- Credit Industriel d'Alsace et de Lorraine    Genossenschaftliche Zentralbank A.G.    Merrill Lynch International & Co.
- Creditanstalt-Bankverein    Vienna    Mitsubishi Bank (Europe) S.A.
- Credito Italiano    Antony Gibbs Holdings Ltd.    Nippon European Bank S.A.

## MINING NEWS

# ERPMM & Durban still struggle

BY KENNETH MARSTON, MINING EDITOR

DESPITE the higher gold prices received in the June quarter, the Rand Mines group's veteran East Rand Proprietary (ERPMM) gold mine made an operating loss on the period and was again obliged to call upon Stato assistance. The other veteran mine, Durban Deep, made a small profit but also remains on the receiving end of Stato aid.

During the past quarter ERPMM received an average gold price of R7,050 per kilogramme, equal to \$259 per ounce. Costs edged up to R7,301, or \$268 per ounce, in the face of a modest increase in gold production.

ERPMM, however, suffered to some extent from an underground fire and the mine expects that its ore milling rate will improve continuously during the current half year. For Durban Deep, the June quarter's gold price averaged R7,082 per kilogramme, or \$260 per ounce, while costs amounted to R6,598, or \$242.

Both mines are thus on a knife-edge as far as this quarter's earnings are concerned. The current bullion price is over \$290 and if the average for the quarter is anywhere approaching this level the two mines should produce a sharp jump in profits. On the other hand, they are not going to make much progress if general expectations of a coming setback in the bullion price are borne out.

Of the other mines in the group, Blyvoor usefully lifted its gold earnings in the quarter thanks to a higher price of R7,113, or \$262, but much of the benefit was lost by a fall in the unpredictable level of uranium income.

Harmony was similarly affected. However, all the mines have done better on balance in the past quarter as the following table of net profits shows.

	June	Mar.	Dec.
	qtr.	qtr.	qtr.
Blyvoor	11,439	10,813	3,138
Durban Deep	11,025	11,221	12,239
E. Rand Pty.	11,524	11,111	1,388
Harmony	17,763	15,723	15,743

After receipt of Stato aid.

## MOKTA EXPLOITS BRAZILIAN TALC

Mokta, the French mining group is spending \$1m (£248,650) exploiting talc deposits in the Brazilian state of Minas Gerais.

respect of some 92.2 per cent of the 495,360 ordinary shares offered.

## Hampton Trust recovery continues

The midway recovery, when a turnaround from a loss of £10,243 to a profit of £8,530 was reported, continued throughout the year to March 31, 1979, at Hampton Trust and the company finished with a pre-tax profit of £52,331, compared with a deficit of £11,094.

Full-year earnings per share are 0.45p (0.17p) and again there is no dividend.

1978-79    1977-78

Turnover	877,100	847,809
Trading profit	84,548	23,418
Interest payable	32,164	34,510
Profit before tax	52,381	11,094
Tax	—	46,850
Extraordinary loss	—	—

The balance from trading is after rental income of £115,981 (£83,539), interest receivable £20,043 (£9,945), loss on sale of investments £2,350 (£3,400) and profit on sale of investment premises £2,331 (nil).

The trading profit is after a loss of £9,768 (£13,352) incurred by the housebuilding subsidiary. Only two houses remain to be completed and sold.

At March 31 1979 the company repaid all its outstanding 4 per cent loan stock. Since the year end, it has raised approximately £380,000 through a rights issue.

The group's net assets at March 31, amounted to £1,007,100 (£984,728) and its net assets, which increased by the net proceeds of the rights.

## Lightning Fasteners

Lightning Fasteners, a subsidiary of IMI and a member of the Lightning-Opti zip manufacturing group, intends to modernise and rationalise its manufacturing resources.

The plans include concentration at its factories at Peterlee, Co. Durham and Cleator Moor, Cumbria. There will be a phased run-down over at least 14 years of zip fastener making at Witton, Birmingham.

The group employs 7000 people in Birmingham, 180 of whom are in the die-casting and zip fastener components operation. As many as possible of the employees affected will be offered alternative jobs and none will be given notice for several months.

according to an announcement from Paris.

The decision follows the completion of favourable feasibility studies. Mokta, a subsidiary of Imetal, has a number of mining and industrial rights in the region and these have been grouped together into a new company called Mira-Serra.

## Pahang search by CRA unit

Conzinc Riotinto Malaysia, a subsidiary of Conzinc Riotinto of Australia, is to start drilling this week in the Pahang Tenggara area in Pahang State to test for lead, copper, gold and other minerals, reports Wong Sulong from Kuala Lumpur.

The tests are preliminary surveys and it is expected that six holes of 1,000 feet deep will be drilled over five square miles in the Chini district of Pahang Tenggara.

The tests will cost M\$500,000 (£105,000) and should be completed before the monsoon begins in November. If the results prove encouraging, further tests will be conducted next year.

A spokesman of Conzinc Riotinto Malaysia said that although the company had earlier discovered mineralisation, possibly of lead, copper and molybdenum, in the China area, it was still uncertain of what it would find.

The company has an agreement with the Pahang Tenggara Development Authority giving it mineral exploration rights over a large area of the 500,000-acre Pahang Tenggara land development scheme.

## MINING BRIEFS

ELECTROLYTIC ZINC

	Four weeks ended	May 27	May 30
	(Fig. in tonnes)		
Bledon	15,879	15,457	
Zinc concentrate	15,725	15,381	
One Millid	54,788	60,818	
Lead concentrate	17,751	17,251	
Lead concentrate	2,000	1,954	
Copper concentrate	686	686	
Pyrite concentrate	185	185	

MINIUT USA MINES—Production for the period June 1-15: Lead ore treated 184,635 tonnes produced 11,880 tonnes crude lead and 15,502 tonnes zinc concentrate; Copper ore treated 22,882 tonnes produced 10,280 tonnes blister copper.

## Customer's claim against Baker Perkins

Baker Perkins, the engineering group, reveals in its annual report that a customer has filed a claim for £1.3m arising from alleged non-performance of equipment leased to it by a subsidiary.

An undisclosed provision has been made for certain costs associated with the claim and the directors do not expect this provision to be exceeded.

Mr. J. F. M. Braithwaite, the group managing director, said yesterday that the claim was not causing the group any concern.

In his statement to the accounts, which show pre-tax profit improved from £5.8m to £25.8m for the year to March 31, 1979, Mr. I. H. G. Gilbert, chairman, said the performance had been achieved "despite generally depressed conditions which prevailed in most parts of the world."

The annual general meeting will be held at the Dorchester Hotel, W, August 9, at 11.45 am.

## Unigate asks for share suspension

Unigate, the food and engineering group asked for its shares to be suspended yesterday ahead of an announcement which is to be made today. At the same time the group will announce its preliminary results for the year ended March 31, 1979.

The suspension price of 52p capitalised the group at £165m. There was wide speculation in the stock market about the reason for the suspension. A merger, capital reconstruction or, possibly, a bid were mentioned but there was no firm view on what Unigate was likely to unveil today.

## LAURENCE PRUST CLOSING BRANCH IN KUALA LUMPUR

London stockbroker Laurence Prust is to close down its branch office in Kuala Lumpur as from the end of September. Laurence Prust is the only foreign broker established there.

When Laurence Prust set up in Kuala Lumpur in 1974 it was on the understanding that it would eventually transform its operation into a minority holding in a local broking company. A maximum 33 per cent foreign ownership is permitted for broker and dealers but according to the Kuala Lumpur branch manager, Mr. Martin Craven, Laurence Prust had not been able to effect such localisation.

## RIGHTS ISSUE SUCCESES

The rights issue by Geever Tin Mines has been accepted in

## MOTOR CARS

# WADHAM STRINGER ROLLS-ROYCE

Official Distributors for Rolls-Royce and Bentley

H.A. FOX 34 Dover Street, London, Tel. 01-493 8362

- 1978 Jan. Rolls-Royce Silver Shadow Saloon, Caribbean Blue, Magnolia leather, Speedometer reading 8,800 miles.
- 1977 May Rolls-Royce Silver Shadow II Saloon, Brewster Green, Tan leather, Speedometer reading 5,500 miles.
- 1977 May Rolls-Royce Silver Shadow II Saloon, Scots Pine, Fawn Parkertex upholstery, Speedometer reading 4,700 miles.
- 1978 Aug. Rolls-Royce Silver Shadow Saloon, Regency Bronze, Dark Brown leather, Speedometer reading 24,000 miles.
- 1976 Aug. Rolls-Royce Silver Shadow Saloon, Seychelles Blue, Beige leather, Speedometer reading 36,500 miles.
- 1976 Jan. Rolls-Royce Silver Shadow Saloon, Walnut, Beige leather, Speedometer reading 43,000 miles.
- 1976 Feb. Rolls-Royce Silver Shadow Saloon, Pewter Green leather, Speedometer reading 39,500 miles.
- 1975 Feb. Rolls-Royce Corniche Saloon, Montand, Beige leather, Speedometer reading 4,900 miles.
- 1975 May Rolls-Royce Silver Shadow Saloon, Black, Walnut, Black leather, electric sliding sunroof, Speedometer reading 33,600 miles.
- 1973 May Rolls-Royce Silver Shadow Saloon, Alpine Grey, Beige leather, Speedometer reading 21,250 miles.
- 1973 Feb. Rolls-Royce Corniche Convertible, Silver Chalice, Red leather, Speedometer reading 48,750 miles.
- 1973 Jan. Rolls-Royce Silver Shadow Saloon, Seafoam Grey over Seychelles Blue, Dark Blue leather, Speedometer reading 45,000 miles.
- 1972 Jan. Rolls-Royce Silver Shadow Saloon, Coffee Bean Brown, Magnolia leather, Speedometer reading 25,000 miles.
- 1972 Jan. Rolls-Royce Silver Shadow Saloon, Seychelles Blue, Beige leather, Speedometer reading 65,500 miles.
- 1971 Feb. Rolls-Royce Silver Shadow Saloon, Tudor Grey, Beige leather, Speedometer reading 22,500 miles (one owner).

## GUILDFORD

- 1979 Jan. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior, 500 miles.
- 1978 Dec. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior, 900 miles.
- 1978 May Rolls-Royce Silver Shadow II finished in Peacock Blue with Magnolia hide interior and Magnolia Everflex roof, 4,000 miles.
- 1978 March Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior, 17,000 miles.
- 1978 Feb. Rolls-Royce Silver Shadow II finished in Chestnut with Magnolia hide interior and Magnolia Everflex roof, 14,000 miles.
- 1978 Jan. Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior, 1,000 miles.
- 1978 Jan. Rolls-Royce Silver Shadow II finished in Gunmetal Grey with Grey hide interior, 10,000 miles.
- 1977 Aug. Rolls-Royce Silver Shadow II finished in Moorland Green with Green Dralon interior and Green Everflex roof, 18,000 miles.
- 1976 Bentley T finished in Smoke Green with Beige hide interior. One owner. Supplied by us. 54,000 miles.

## TORQUAY

- 1975 July Corniche Convertible in Walnut with Beige hide upholstery and Beige hood, A beautiful one owner car, 30,000 miles. Offered at £39,950.
- 1976 Jan. Corniche 2-door Saloon in Silver Chalice with Black Everflex roof and Deep Red hide upholstery, 23,000 miles only.
- 1977 April Silver Shadow in Willow Gold with Brown Everflex roof and Beige hide upholstery. Picnic tables, 7,800 miles. Superb.
- 1976 model (reg. Nov. 1975) Silver Shadow in Moorland with Beige upholstery. Only 23,000 miles. Outstanding, to be registered with a 'V' Reg. No. on 1st August.
- 1976 Aug. Flared Arch Silver Shadow in Seychelles Blue with Blue hide, 61,400 miles. A sound investment.

## CAR MARKS OF HULL

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20

## GRANADA 28 GL AUTO

1978 model. Metallic mid-blue with blue collar. 8,000 miles only. Cheaper than second car. As new throughout. Price £4,950. Delivery on new price at considerable discount.

## JAGUAR XJ6 3.4 L.W.B.

1977 model. White with Burgundy leather. 12,000 miles. Automatic. PAS, radio/stereo, 26.800 miles only. Mint condition. Price £9,500.

## ELITE MOTOR SERVICES

ASHBY/LEIC. 0283 219183/219208

## CITROËN in the City

For a comprehensive range of new Citroën cars including GSX 3 call 01-377 8811 Cooper Car Company 20 Paul Street London, EC2

## HI FI FOR THE CARRIAGE TRADE

For the Car Music Centre 122 Shaftsbury London, W.12. Tel. 01-494 7126

## TOPLESS IN STYLE

"ROLLS-ROYCE OWNERS REGARD YOU WITH BARELY CONCEALED JEALOUSY. ONE OF THE REASONS FOR THIS IS THAT YOU CAN CUT SO MANY DIFFERENT DASHES WITH THE 412. PERHAPS THE 412 IS THE ONLY LARGE CONVERTIBLE NOW BEING MADE BUT THE 412 IS MUCH MORE BESIDES."

Bristol Cars Ltd. 368-370 Kensington High Street, London, W.14. Tel. 01-494 5554

مكاتبنا في لندن

Handwritten note: "Up 100% 15/80"

BIDS AND DEALS
Wellman's U.S. deal is too large, claims Redman

Wellman Engineering... announcement that at an EGM on July 12 the necessary resolutions were passed...

BICC TO BUY ELECTRONICS COMPANY

BICC is negotiating to buy a private electronic group, Vero Electronics...

COOLAG BUYS ICI PLANT

Agreement has been reached between Imperial Chemical Industries and Coolag...

GRINDLAY BRANDTS

Grindlay Brandts Insurance Brokers... further announcement is expected this week.

SHARE STAKES

Ratners (Jewellers) - Scottish Amicable Life Assurance Society holds 1.25m shares.

W. E. NORTON COMPLETION

W. E. Norton Holdings... completion has taken place for the acquisition of the capital of Sidney H. Jackson and Smith (1965) Ltd.

DARES ESTATES

Dares Estates, the Birmingham-based builder and property developer...

ARROW CHEMICALS

Arrow Chemicals Holdings... directors of Arrow Chemicals Holdings...

Brickhouse Dudley
Profits increased despite difficult trading conditions

Brentnall Beard loss at midway

FOLLOWING LOSSES of £226,000 at the end of 1977-78, Brentnall Beard Holdings...

Alginate report next week

The report by the Monopolies and Mergers Commission on the takeover proposals from two U.S. companies for Alginate Industries...

Boulton & Paul

Boulton and Paul, a subsidiary of the British Electric Traction Co., reports profits before tax down from £2.5m to £2.2m...

Crown House on target with best-ever £4.05m

WITH AN advance in taxable profits from £3.2m to a record £4.05m for the year ended March 31, 1979, Crown House has met the forecast of around £4m made last February...

Loss for Alexanders Discount

AN UNPROFITABLE first six months of 1979 is reported by Alexanders Discount Company...

RESULTS AND ACCOUNTS IN BRIEF

COGLANS - Turnover year to March 31, 1979, £2,107,210. Pre-tax profit £24,480 after interest £103,822.

Rand Mines Limited
A Member of the Barlow Rand Group
Gold Mining and Colliery Company Reports for the Quarter ended 30th June, 1979

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

Table with 4 columns: HARMONY GOLD MINING COMPANY, LIMITED; DURBAN ROODEPOORT DEEP, LIMITED; BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED. Includes operating results, development, and dividends.

Table with 4 columns: EAST RAND PROPRIETARY MINES, LIMITED; WELGEDACHT EXPLORATION COMPANY, LIMITED; WITBANK COLLIERY, LIMITED. Includes operating results, development, and dividends.

Table with 4 columns: EAST RAND PROPRIETARY MINES, LIMITED; WELGEDACHT EXPLORATION COMPANY, LIMITED; WITBANK COLLIERY, LIMITED. Includes operating results, development, and dividends.

GENERAL NOTES
1. Gold development values quoted herein represent actual results of sampling, no allowance having been made for any adjustments which may be or were made.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Gelco acquires Reliance container unit for \$250m

BY JOHN WYLES IN NEW YORK

INTERNATIONAL, the world's largest lessor of marine containers, is to be sold by the Reliance Group...

non-convertible preferred stock, which Gelco must redeem within four years...

compared with \$233.3m and net earnings were \$16.75m compared with \$19.66m...

Sharp rise in profits at Chase Manhattan

By David Lascelles in New York

NEW YORK'S second largest bank, Chase Manhattan Bank, sharply increased the pace of its recent financial improvement...

Dome heads syndicate in Canadian oil and gas deal

BY ROBERT GIBBENS IN MONTREAL

DOME PETROLEUM, one of Canada's fastest-growing oil and gas groups, is leading a group...

interest in the undeveloped properties, covering 1.2m acres in Western Canada...

Strong second quarter at CPC

BY TERRY OGG

SECOND QUARTER net profits earned by CPC International, the large corn refiner...

and fourth quarter. New York analysts are confident their full year predictions of earnings per share around 7.05 will be fulfilled...

Sales in the three months to June 30 were up from \$799.3m to \$901.1m...

ITT allays executives' fears

BY OUR NEW YORK STAFF

INTERNATIONAL Telephone and Telegraph was yesterday seeking to assure its senior executives in Europe...

United Technologies well ahead

BY OUR FINANCIAL STAFF

Mr. Harry J. Gray, chairman and president of United Technologies, yesterday reported a 37 per cent rise in net earnings for the first half year...

ings of \$79.2m on \$1.74 compared with \$54.6m on \$1.38 last year. Sales increased from \$1.55bn to \$1.80bn...

Sears' orders boost Roper

KANKAKEE — Roper Corporation, in a turnaround from the first nine months of fiscal 1979...

Eventually, Roper would like to have a more balanced sales mix by increasing its non-Sears business...

\$44m bid for Congoleum

MILWAUKEE — Congoleum Corporation, the flooring and shipbuilding group...

Mr. Radaker said that he plans to meet with the First Boston group and Congoleum's board to consider the proposal...

Copperweld confident on outlook

PITTSBURGH — Copperweld Corporation's earnings for the second quarter ended June 30...

The improved results for the first six months of 1979 reflect a better nationwide economy in the first quarter of 1979...

Banks discuss merger deal

NEW YORK — First National Bank of New Jersey is in separate preliminary negotiations...

Westinghouse hit by nationwide strike

BY OUR NEW YORK STAFF

WESTINGHOUSE Electric Corporation, the leading U.S. capital goods producer, was hit yesterday by its first national strike...

manufacturing plants will be affected by the stoppage involving 39,000 workers...

U.S. QUARTERLIES

Table with columns for industry names (e.g., ALLEGHENY AIRLINES, FIRST CHICAGO CORPORATION) and financial data for 1979 and 1978.

Table with columns for industry names (e.g., GREAT NORTHERN NEKOOSA, HOWARD JOHNSON) and financial data for 1979 and 1978.

Table with columns for industry names (e.g., HILTON HOTELS, FIRST CITY BANCORP) and financial data for 1979 and 1978.

Table with columns for industry names (e.g., POTLATCH, PUBLIC SERVICE ELECTRIC & GAS) and financial data for 1979 and 1978.

EUROBONDS Polish bank seeks \$30m FRN

By Francis Giblin

BANK HANDLOWY is arranging a \$30m 10-year floating rate note through a group of banks...

Manufacturers Hanover Ltd. is expected to announce a \$30m seven-year FRN issue for the largest private bank in Chile...

Prices of Deutsche-Mark-denominated bonds, both in the domestic and foreign sectors of the market, were firmer yesterday...

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists...

Large table listing international bond issues with columns for U.S. Dollar, Issued, Bid, Offer, Day, Week, Yield, and Change on week.

Handwritten Arabic text: هكمان النحل

INTNL. COMPANIES and FINANCE

INTERNATIONAL BANKING

Gamekeeper becomes poacher

ADVICE HAS long been offered to complement the role of British merchant banks by U.S. commercial banks...

other developing countries. It was better insulated than a single merchant/investment bank against the charge that its advice was tinged with self-interest...

First Boston's European arm was also involved as a financial consultant in a case which showed up the uncomfortable aspect of such fee earning...

are paying the triad too much, and make the case against such payments. But on the other hand bankers also concede that it is useful to have financiers...

There is a new brand of banking which involves banks telling countries how to borrow from other banks. It is perhaps the ultimate expression of the fee-earning activity which international banks have developed...

business with any client country except via the triad. Whichever bank is taking the lead in the triad's relationship with a particular client...

ship with Sonatrach, the Algerian oil group, but now says that Sonatrach looks after itself. Diego Read continues to do such business with other third world countries but declines to identify them because it regards the matter as politically sensitive...

itself by-passed, with the managers of the banking syndicate talking directly to Nigeria. The moral of the tale was that it was more satisfactory for an investment bank to get itself adopted as a broad-based financial consultant and to play a background role in loan negotiations...

Italian telephone deal

By Max Wilkinson. TELETRA, Fiat's Italian telecommunications subsidiary, has signed a detailed co-operation deal with SIT-Siemens...

Triumph Werke sharply ahead

BY OUR FINANCIAL STAFF. SHARPLY HIGHER profits for 1978 and a forecast of another positive result in the current year were announced yesterday by Triumph Werke of West Germany...

group's earnings could be affected by rising raw materials prices at a time when the consumer market for office equipment was highly price-competitive. However, the reception of the group's products at the recent international Hanover trade fair had been a positive sign for 1979...

CIT-Alcatel plans expansion in U.S.

BY DAVID WHITE IN PARIS. THE FRENCH telecommunications company CIT-Alcatel plans to compete in the U.S. market for digital telephone exchanges with a new model designed and made by a subsidiary in Reston, Virginia...

first studied possibilities for buying up U.S. interests in the field but decided instead to start from scratch by setting up a wholly-owned subsidiary, Telecommunication Switching Systems, in the U.S.

● Societe Generale, one of France's three nationalised banks, is raising FF 500m on the Paris capital market by a bond issue. The 12-year bonds, which will be reserved for subscription by the bank's clients, will bear annual interest at a rate of 11 per cent, offering a gross yield of 11.8 per cent at offer date.

Dutch bank to go ahead with American purchase

BY MICHAEL VAN OS. MAJOR DUTCH bank Algemene Bank Nederland has been given permission by the U.S. authorities to acquire the capital of the Lasalle National Bank of Chicago...

Policy switch for Italian builder

MILAN — Beni Immobili Italiana (BII), a real estate and construction company, has formally changed its corporate charter in permit it to diversify into other sectors. The switch follows the recent purchase of a 56 per cent interest in BII by unidentified parties represented by Istituto Finanziario Nazionale, a Genoa-based financial company...

New chief for PUK unit

Mr. Charles Yaker, president of the Howmet Turbine Components Corporation, a subsidiary of Pechiney Ugine Kuhlmann Corporation, will assume the additional post of chief executive officer, writes AP-DJ from Connecticut. He will succeed Mr. Theodore Oberhall, who will retire but continue as chairman and consultant.

Nigeria extends international borrowings

BY JOHN EVANS. NIGERIA, WHICH looks likely to return to a balance of payments surplus this year, is nonetheless extending its borrowing in the international credit markets, according to Euro-market bankers. The country's last loan, a \$750m facility, was completed last year. However, this credit was surrounded by difficulties, chiefly because of the growing economic problems Nigeria encountered after its economic development plans unstripped its oil-export revenues...

Among the latest loans, Amex Bank is assembling a banking group to advance \$130m which will be devoted to the Chad irrigation project. The eight-year credit carries a spread of 1 per cent. According to an analysis by the Chase Manhattan Bank, economies group, Nigeria stands in a strong position to raise up to 77 per cent more in bill export receipts this year, as a result of the OPEC pricing decisions in June. If Nigeria raises the price of its crude to the \$28.50 per barrel ceiling, and if this pricing is sustained, gross oil revenues would increase by an additional \$1bn to a total of \$16.4bn. This would raise total export receipts, including non-oil items, to an estimated \$17.6bn this year, Chase estimates. Nigeria, which has already adopted import restraints, could develop a trade surplus of between \$7bn and \$7.5bn. Allowing for the additional deficit on services and transfers, estimated in excess of \$4bn, a current account surplus of \$3bn appears assured, contrasting with a deficit of \$3.8bn last year, Chase says. It adds, "Capital inflow—mainly in the form of Euro-dollar loans as well as some \$300m-\$400m in direct investment funds—can be expected to add another \$2bn, resulting in an overall balance of payments surplus of \$5bn this year, compared with a \$1.9bn payments deficit in 1978. An attempt may be made to raise funds for Pakistan on the Eurocurrency markets, in order to surmount potential debt-servicing problems later in the year, Simon Henderson writes from Islamabad. The Government budget last month indicated that \$300m would have to be raised from abroad, in addition to short-term commitments totalling another \$300m which were entered into last year. While there is no clear picture on how these funds will be raised, there are suggestions that \$200m might be made available from Saudi Arabia to start an Islamic wealth tax system. The remaining \$100m would be raised for Pakistan on the Euromarkets, while efforts would also be made to roll over the other \$300m of debts.

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BANCO REAL (Incorporated in Brazil with limited liability) US \$ 10,000,000 Medium-Term Loan (Resolution 63) Arranged and provided by NIPPON EUROPEAN BANK S.A. July 1979

FFI Finance for Industry Limited (Incorporated in England under the Companies Acts 1948 to 1967) £30,000,000 12 1/2 per cent. Sterling/U.S. dollar payable Bonds 1989 S. G. Warburg & Co. Ltd. List of participating banks including Barclays Bank International, Lloyds Bank International, etc.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$50,000,000

The Nippon Credit Bank (Curacao) Finance, N.V.

Guaranteed Floating Rate Notes Due 1986

Payment of principal and interest unconditionally guaranteed by

The Nippon Credit Bank, Ltd. (Kabushiki Kaisha Nippon Saiken Shingyo Ginko)

- MORGAN STANLEY INTERNATIONAL, KIDDER, PEABODY INTERNATIONAL, CREDIT AGRICOLE, CREDIT COMMERCIAL DE FRANCE, CREDIT LYONNAIS, CREDIT DU NORD, CREDIT SUISSE FIRST BOSTON, CREDITANSTALT-BANKVEREIN, CREDITO ITALIANO, DAI-ICHI KANGYO BANK NEDERLAND N.V., DAIWA EUROPE N.V., DEN DANSKE BANK, DEN NORSKE CREDITBANK, THE DEVELOPMENT BANK OF SINGAPORE, DILTON, READ OVERSEAS CORPORATION, DREXEL BURNHAM LAMBERT, EFFECTENBANK-WARBURG, FUJI INTERNATIONAL FINANCE, GOLDMAN SACHS INTERNATIONAL CORP., HILL SAMUEL & CO., KANSALLIS-OSAKE-PANKKI, KUHN LOEB LEHMAN BROTHERS, KUWAIT INTERNATIONAL INVESTMENT CO. S.A.S., LLOYDS BANK INTERNATIONAL, MERRILL LYNCH INTERNATIONAL & CO., SAMUEL MONTAGU & CO., THE NATIONAL BANK OF KUWAIT S.A.F., NEDERLANDSCHE MIDDENSTANDBANK N.V., THE NIKKO SECURITIES CO. (EUROPE) LTD., NIPPON EUROPEAN BANK S.A., NIPPON KANGYO KAKUMARU (EUROPE), NOMURA EUROPE N.V., NORDEUTSCHE LANDESBANK GIROZENTRALE, OKASAN SECURITIES CO., LTD., SAL OPPENHEIM JR. & CIE., ORION BANK, PIERSON, HELDRING & PIERSON N.V., POSTIPANKKI, PRIVATBANKEN, ROTHSCHILD BANK AG, N.M. ROTHSCHILD & SONS, SALOMON BROTHERS INTERNATIONAL, SANWA BANK (UNDERWRITERS), SANYO SECURITIES CO., LTD., J. HENRY SCHRODER WAGG & CO., SKANDINAVISKA ENSKILDA BANKEN, SMITH BARNEY, HARRIS UPHAM & CO., SOCIETE GENERALE, SOCIETE GENERALE DE BANQUE S.A., SUNITOMO FINANCE INTERNATIONAL, SUN HUNG KAI INTERNATIONAL, SVENSKA HANDELSBANKEN, TAITO ROBE FINANCE HONGKONG, TOKAI KYOWA MORGAN GRENFELL, TRADE DEVELOPMENT BANK, TRINKAUS & BURKHARDT, VEREINS-UND WESTBANK, WAKO SECURITIES CO., LTD., S.G. WARBURG & CO. LTD., WARDLEY, DEAN WITTER REYNOLDS INTERNATIONAL, WOOD GUNDY, YAMAICHI INTERNATIONAL (NEDERLAND) N.V., YAMATANE SECURITIES CO., LTD.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$150,000,000

Honeywell Inc.

9 3/8% Sinking Fund Debentures Due 2009

Interest payable June 15 and December 15

- MORGAN STANLEY & CO., BLYTH EASTMAN DILLON & CO., GOLDMAN, SACHS & CO., SALOMON BROTHERS, BACHE HALSEY STUART SHIELDS, BEAR, STEARNS & CO., DILLON, READ & CO. INC., DREXEL BURNHAM LAMBERT, E.F. HUTTON & COMPANY INC., KIDDER, PEABODY & CO., LAZARD FRERES & CO., LEHMAN BROTHERS KUHN LOEB, LOEB RHOADES, HORNBLOWER & CO., PAINE, WEBBER, JACKSON & CURTIS, SHEARSON HAYDEN STONE INC., SMITH BARNEY, HARRIS UPHAM & CO., WERTHEIM & CO., INC., DEAN WITTER REYNOLDS INC., DAIN, KALMAN & QUAIL, PIPER, JAFFRAY & HOPWOOD

July 12, 1979

Nissan asks Ford to sell half of JATCO stake

BY YOKO SHIBATA IN TOKYO

NISSAN MOTOR has requested Ford Motor of the U.S. to part with half of Ford's 50 per cent stake in Japan Automatic Transmission Company, (JATCO) to Nissan. The request was made in a letter from Nissan's president, Mr. Takashi Ishihara to Mr. Philip Caldwell, previously of Ford. This follows the agreement announced last week for Ford to take a 25 per cent interest in Toyo Kogyo, the maker of Mazda cars.

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Advance in profits for Bahrain banks

By Mary Fring in Bahrain

BAHRAIN'S two biggest retail banks have reported increased profits for the first six months of 1979. The National Bank of Bahrain earned Bd 1.85m (\$4.9m) or 61 per cent more than in the same period last year, while the Bank of Bahrain and Kuwait (BBK) earned Bd 1.04m (\$2.8m), for an increase of 23.3 per cent.

Kubota consolidated earnings fall

TOKYO—Kubota, a diversified Japanese manufacturer of agricultural and industrial machinery, has announced a fall of 0.9 per cent in consolidated net profit, to Y19.49bn (\$99.8m) in the fiscal year to April 25, from Y19.57bn in the previous year, reports AP-DJ.

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Bankruptcies down in Japan

TOKYO—Japanese corporate bankruptcies in June fell to 1,257 from 1,367 in May, and from 1,325 in June last year, the Tokyo Commerce and Industry Research Company said.

Palm oil plant venture

DUNLOP ESTATES Berhad has entered into an agreement with three partners to build and operate a palm oil refining and fractionating plant in Johore. A new company, involved, Segamat Edible Oils, has an authorised capital of 10m ringgit (equivalent to US\$4.6m), and an expected paid-up capital of 6m ringgit.

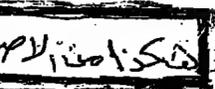
National Westminster Bank Limited U.S. \$100,000,000 Floating Rate Capital Notes 1994. Includes logos for Orion Bank, Credit Suisse First Boston, and Westdeutsche Landesbank Girozentrale. Lists various international banks as agents.

Handwritten Arabic text: هكمان النحل





COMMODITIES and AGRICULTURE



Fear of recession fuels base metals decline

FORWARD PRICES of base metals fell in the London Metal Exchange yesterday...

and 1979 during the morning. The tin market provided the only opening of the day...

the start of spot quotations for the metal. Holdings totalling 2,394 tonnes were made up of 576 tonnes of cathodes...

U.S. growers bid to boost grain sales to the Soviet Union

THE CARTER Administration is being pressed by cereal growers to raise the ceiling on the amount of grain the USSR can buy from the U.S. in the current marketing year...

outlined a plan at a meeting with Mr. Bergland. Mr. Michael Hall, the group's president, has suggested that next year's allowance be increased immediately to 15m tonnes...

UK crops suffer in dry spell

SPRING-SOWN cereal crops in Britain, which got off to a bad start in the late spring, are now suffering from the lack of rain...

Cattle cutbacks hit hide trade

WORLD SHORTAGES of animal hides will worsen as slaughtering of cattle fall again this year, the Commonwealth Secretariat says in its latest report on the market.

Tanners and leather manufacturers have reduced their stocks and are reported to be buying only enough skins for their immediate needs.

Brazil stops coffee exports

COFFEE FUTURES prices rallied strongly on the London market yesterday in response to news that Brazil had suspended export registrations...

ended in El Salvador and Mexico had little to say on market sentiment. But the market reacted sharply when the Brazilian Coffee Institute announced early in the afternoon that export registrations had been suspended until further notice.

each) export objective for the third quarter of this year. The move was not entirely unexpected, having been suggested, but subsequently denied, in market talk last Friday.

Rubber strike threat lifted

AKRON - The United Rubber Workers' Union and Goodyear said yesterday they had agreed on terms of a new contract, beating a strike deadline which had been set for one minute after midnight last night.

Under an agreement, the Soviet Union is entitled to buy up to 8m tonnes of U.S. grain without referring to Washington. Last year it negotiated an extension to 15m tonnes and now growers believe it is ready to apply for similar concessions in the new season.

Thai tapioca exports fall

BANGKOK - Thai tapioca exports dropped during the first half of 1979 to 2.5m tonnes from 3.17m in the same part of 1978.

Plan to speed Canadian cereals shipments

OTTAWA - Foreign buyers are eager and prices are 50 per cent higher than a year ago, but Canadian grain exporters are likely to drop 10 per cent this year due to long-standing transportation problems in Western Canada.

By comparison, the railways are legally obliged to carry grain for export at one-half cent a ton mile - the "crows nest pass" rate which dates back to the last century.

Confidence at cocoa talks

GENEVA - Mr. Anthony Hill, chairman of the United Nations Conference on Cocoa, told delegates here yesterday he could assure them a new international agreement would be reached within 10 working days.

negotiating conference was adjourned on February 23 amid disagreement over the levels at which market prices should be stabilised.

Prices had moved back to the levels ruling before the outbreak of frost at the end of May, they noted. Continued lack of roaster buying and further reports of stable temperatures in Brazil had encouraged the easier trend, they said.

Soya 'glut' in Europe

UNEXPECTEDLY large Argentine soyabean exports have led to a glut in Europe, causing a back-up of U.S. and Brazilian supplies at European ports and oilmills.

for the first time since 1945. The region is expected to export around 40,000 tonnes net this season compared with 66,000 tonnes in 1977-78.

Rice output up

BANGKOK - Thailand's paddy production during the 1978-79 season increased to 17.2m tonnes from 15.9m the previous season.

Phosphate deal

AMMAN - Bulgaria has agreed to buy 500,000 tonnes of raw phosphate rock from Jordan over the next three years.

By comparison, the railways are legally obliged to carry grain for export at one-half cent a ton mile - the "crows nest pass" rate which dates back to the last century.

BRITISH COMMODITY MARKETS

Table with columns for various commodities like Copper, Tin, Zinc, Lead, Nickel, Silver, Gold, and their prices in London.

COFFEE

Table showing coffee prices for various types like Arabica and Robusta, with columns for price and business.

RUBBER

Table showing rubber prices for different grades like RSS and SBR.

PRICE CHANGES

Table listing price changes for various commodities like Metals, Grains, and Oils.

AMERICAN MARKETS

Table showing market news and prices for various commodities in the US.

INSURANCE BASE RATES

Table listing insurance rates for different types of property and liability.

COFFEE

Table showing coffee prices for various types like Arabica and Robusta.

GRAINS

Table showing grain prices for wheat, barley, and other cereals.

WOOL FUTURES

Table showing wool futures prices for different grades and origins.

EUROPEAN MARKETS

Table showing market news and prices for various commodities in Europe.

PERSONAL

After their husbands have gone away, many women are finding it difficult to maintain a household...

ART GALLERIES

AGNEW GALLERY, 45, Old Bond St. W. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

Prescot Commodity Review advertisement with contact information and a list of commodities.

Advertisement for Prescot Commodities Ltd, including a list of commodities and contact details.

Advertisement for MEAT/VEGETABLES, listing various products and prices.

Advertisement for INDICES, showing financial times and commodity prices.

LONDON STOCK EXCHANGE

June trade figures greeted favourably in markets
30-share index rises 4.1 to 470.7—Gilts also higher

Account Dealing Dates
Option
First Declared Last Account
Dealings Day
Jun. 18 Jun. 28 Jun. 29 July 10

while the clearing banks
featured prominently following
Press estimates of a likely 50 per
cent increase in interim profits

Banks strong
Comment on dividend poten-
tial ahead of the interim divid-
end on Friday which Lloyds starts

Peters Stores wanted
Speculative buying fuelled by
rumours that Millets Leisure are
likely suitors for local Peters

Rank Org. pleases
Quietly firm miscellaneous
industrial leaders were featured
by a late surge of 11 to 22p.

Oils quiet
Oils had a quiet day's trade,
but British Petroleum edged
higher to close 18 up at 1,255p.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government Secs, Fixed Interest, Gold Mines, etc.) and their values for different dates.

NEW HIGHS AND LOWS FOR 1979
Table listing new highs and lows for various stocks in 1979, including company names and their respective prices.

LONDON TRADED OPTIONS
Table showing option trading data for various stocks, including call and put options, with columns for price, volume, and closing prices.

Special situations provided the
main focal points in Building
issues. Steady awaiting the
annual results. Montague L.

Associated Leisure formed 3 to
100p in response to the satisfac-
tory annual results, while

Among the heavyweights,
gains extended to 4 1/2 in Rand-
fontein, 2 1/2 in Free State, Geduld,

Prices edged higher through-
out the day with American buy-
ing in the late trade adding

FT-ACTUARIES SHARE INDICES
Table showing share indices for various actuarial groups, including Capital Goods, Building Materials, etc.

A FINANCIAL TIMES SURVEY
ARAB TRAVEL AND TOURISM
October 2 1979
The Financial Times proposes to publish a survey on Arab Travel and Tourism. The main headings of the provisional synopsis are set out below.

ACTIVE STOCKS
Table listing active stocks with columns for stock name, denomination, closing price, and change.

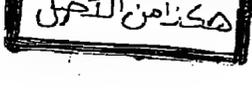
RECENT ISSUES
Table listing recent stock issues with columns for issue name, price, and other details.

OPTIONS
Table listing various options with columns for stock name, price, and other details.

FIXED INTEREST STOCKS
Table listing fixed interest stocks with columns for stock name, price, and other details.

'RIGHTS' OFFERS
Table listing rights offers with columns for issue name, price, and other details.

Table with multiple sections including EQUITY GROUPS & SUB-SECTIONS, FIXED INTEREST PRICE INDICES, and various financial data points.



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc. with columns for name, address, and contact information.

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OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt. (C.I.), etc. with columns for name, address, and contact information.

INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bonds such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc. with columns for name, address, and contact information.

NOTES section at the bottom left of the page, providing additional information and disclaimers.

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BRIMS & CO. LTD.  
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# FT SHARE INFORMATION SERVICE

## FOREIGN BONDS & RAILS

1979	High	Low	Stock	Price	%	Yield
30	22	22	Amalgamated Prof.	30		
31	22	22	Do. Sp. 1978	30		
32	22	22	Do. Sp. 1979	30		
33	22	22	Do. Sp. 1980	30		
34	22	22	Do. Sp. 1981	30		
35	22	22	Do. Sp. 1982	30		
36	22	22	Do. Sp. 1983	30		
37	22	22	Do. Sp. 1984	30		
38	22	22	Do. Sp. 1985	30		
39	22	22	Do. Sp. 1986	30		
40	22	22	Do. Sp. 1987	30		
41	22	22	Do. Sp. 1988	30		
42	22	22	Do. Sp. 1989	30		
43	22	22	Do. Sp. 1990	30		
44	22	22	Do. Sp. 1991	30		
45	22	22	Do. Sp. 1992	30		
46	22	22	Do. Sp. 1993	30		
47	22	22	Do. Sp. 1994	30		
48	22	22	Do. Sp. 1995	30		
49	22	22	Do. Sp. 1996	30		
50	22	22	Do. Sp. 1997	30		
51	22	22	Do. Sp. 1998	30		
52	22	22	Do. Sp. 1999	30		
53	22	22	Do. Sp. 2000	30		
54	22	22	Do. Sp. 2001	30		
55	22	22	Do. Sp. 2002	30		
56	22	22	Do. Sp. 2003	30		
57	22	22	Do. Sp. 2004	30		
58	22	22	Do. Sp. 2005	30		
59	22	22	Do. Sp. 2006	30		
60	22	22	Do. Sp. 2007	30		
61	22	22	Do. Sp. 2008	30		
62	22	22	Do. Sp. 2009	30		
63	22	22	Do. Sp. 2010	30		
64	22	22	Do. Sp. 2011	30		
65	22	22	Do. Sp. 2012	30		
66	22	22	Do. Sp. 2013	30		
67	22	22	Do. Sp. 2014	30		
68	22	22	Do. Sp. 2015	30		
69	22	22	Do. Sp. 2016	30		
70	22	22	Do. Sp. 2017	30		
71	22	22	Do. Sp. 2018	30		
72	22	22	Do. Sp. 2019	30		
73	22	22	Do. Sp. 2020	30		
74	22	22	Do. Sp. 2021	30		
75	22	22	Do. Sp. 2022	30		
76	22	22	Do. Sp. 2023	30		
77	22	22	Do. Sp. 2024	30		
78	22	22	Do. Sp. 2025	30		
79	22	22	Do. Sp. 2026	30		
80	22	22	Do. Sp. 2027	30		
81	22	22	Do. Sp. 2028	30		
82	22	22	Do. Sp. 2029	30		
83	22	22	Do. Sp. 2030	30		
84	22	22	Do. Sp. 2031	30		
85	22	22	Do. Sp. 2032	30		
86	22	22	Do. Sp. 2033	30		
87	22	22	Do. Sp. 2034	30		
88	22	22	Do. Sp. 2035	30		
89	22	22	Do. Sp. 2036	30		
90	22	22	Do. Sp. 2037	30		
91	22	22	Do. Sp. 2038	30		
92	22	22	Do. Sp. 2039	30		
93	22	22	Do. Sp. 2040	30		
94	22	22	Do. Sp. 2041	30		
95	22	22	Do. Sp. 2042	30		
96	22	22	Do. Sp. 2043	30		
97	22	22	Do. Sp. 2044	30		
98	22	22	Do. Sp. 2045	30		
99	22	22	Do. Sp. 2046	30		
100	22	22	Do. Sp. 2047	30		

## BANKS & HP—Continued

1979	High	Low	Stock	Price	%	Yield
101	22	22	Amalgamated Prof.	30		
102	22	22	Do. Sp. 1978	30		
103	22	22	Do. Sp. 1979	30		
104	22	22	Do. Sp. 1980	30		
105	22	22	Do. Sp. 1981	30		
106	22	22	Do. Sp. 1982	30		
107	22	22	Do. Sp. 1983	30		
108	22	22	Do. Sp. 1984	30		
109	22	22	Do. Sp. 1985	30		
110	22	22	Do. Sp. 1986	30		
111	22	22	Do. Sp. 1987	30		
112	22	22	Do. Sp. 1988	30		
113	22	22	Do. Sp. 1989	30		
114	22	22	Do. Sp. 1990	30		
115	22	22	Do. Sp. 1991	30		
116	22	22	Do. Sp. 1992	30		
117	22	22	Do. Sp. 1993	30		
118	22	22	Do. Sp. 1994	30		
119	22	22	Do. Sp. 1995	30		
120	22	22	Do. Sp. 1996	30		
121	22	22	Do. Sp. 1997	30		
122	22	22	Do. Sp. 1998	30		
123	22	22	Do. Sp. 1999	30		
124	22	22	Do. Sp. 2000	30		
125	22	22	Do. Sp. 2001	30		
126	22	22	Do. Sp. 2002	30		
127	22	22	Do. Sp. 2003	30		
128	22	22	Do. Sp. 2004	30		
129	22	22	Do. Sp. 2005	30		
130	22	22	Do. Sp. 2006	30		
131	22	22	Do. Sp. 2007	30		
132	22	22	Do. Sp. 2008	30		
133	22	22	Do. Sp. 2009	30		
134	22	22	Do. Sp. 2010	30		
135	22	22	Do. Sp. 2011	30		
136	22	22	Do. Sp. 2012	30		
137	22	22	Do. Sp. 2013	30		
138	22	22	Do. Sp. 2014	30		
139	22	22	Do. Sp. 2015	30		
140	22	22	Do. Sp. 2016	30		
141	22	22	Do. Sp. 2017	30		
142	22	22	Do. Sp. 2018	30		
143	22	22	Do. Sp. 2019	30		
144	22	22	Do. Sp. 2020	30		
145	22	22	Do. Sp. 2021	30		
146	22	22	Do. Sp. 2022	30		
147	22	22	Do. Sp. 2023	30		
148	22	22	Do. Sp. 2024	30		
149	22	22	Do. Sp. 2025	30		
150	22	22	Do. Sp. 2026	30		

## CHEMICALS, PLASTICS—Cont.

1979	High	Low	Stock	Price	%	Yield
151	22	22	Amalgamated Prof.	30		
152	22	22	Do. Sp. 1978	30		
153	22	22	Do. Sp. 1979	30		
154	22	22	Do. Sp. 1980	30		
155	22	22	Do. Sp. 1981	30		
156	22	22	Do. Sp. 1982	30		
157	22	22	Do. Sp. 1983	30		
158	22	22	Do. Sp. 1984	30		
159	22	22	Do. Sp. 1985	30		
160	22	22	Do. Sp. 1986	30		
161	22	22	Do. Sp. 1987	30		
162	22	22	Do. Sp. 1988	30		
163	22	22	Do. Sp. 1989	30		
164	22	22	Do. Sp. 1990	30		
165	22	22	Do. Sp. 1991	30		
166	22	22	Do. Sp. 1992	30		
167	22	22	Do. Sp. 1993	30		
168	22	22	Do. Sp. 1994	30		
169	22	22	Do. Sp. 1995	30		
170	22	22	Do. Sp. 1996	30		
171	22	22	Do. Sp. 1997	30		
172	22	22	Do. Sp. 1998	30		
173	22	22	Do. Sp. 1999	30		
174	22	22	Do. Sp. 2000	30		
175	22	22	Do. Sp. 2001	30		
176	22	22	Do. Sp. 2002	30		
177	22	22	Do. Sp. 2003	30		
178	22	22	Do. Sp. 2004	30		
179	22	22	Do. Sp. 2005	30		
180	22	22	Do. Sp. 2006	30		

## ENGINEERING—Continued

1979	High	Low	Stock	Price	%	Yield
181	22	22	Amalgamated Prof.	30		
182	22	22	Do. Sp. 1978	30		
183	22	22	Do. Sp. 1979	30		
184	22	22	Do. Sp. 1980	30		
185	22	22	Do. Sp. 1981	30		
186	22	22	Do. Sp. 1982	30		
187	22	22	Do. Sp. 1983	30		
188	22	22	Do. Sp. 1984	30		
189	22	22	Do. Sp. 1985	30		
190	22	22	Do. Sp. 1986	30		
191	22	22	Do. Sp. 1987	30		
192	22	22	Do. Sp. 1988	30		
193	22	22	Do. Sp. 1989	30		
194	22	22	Do. Sp. 1990	30		
195	22	22	Do. Sp. 1991	30		
196	22	22	Do. Sp. 1992	30		
197	22	22	Do. Sp. 1993	30		
198	22	22	Do. Sp. 1994	30		
199	22	22	Do. Sp. 1995	30		
200	22	22	Do. Sp. 1996	30		
201	22	22	Do. Sp. 1997	30		
202	22	22	Do. Sp. 1998	30		
203	22	22	Do. Sp. 1999	30		
204	22	22	Do. Sp. 2000	30		
205	22	22	Do. Sp. 2001	30		
206	22	22	Do. Sp. 2002	30		
207	22	22	Do. Sp. 2003	30		
208	22</					

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like British American Insurance, Commercial Union Assurance, and London Assurance.

PROPERTY—Continued

Table of property stocks including companies like British Land, Commercial Union Assurance, and London Assurance.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American Investment Trust, Commercial Union Assurance, and London Assurance.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like British American Investment Trust, Commercial Union Assurance, and London Assurance.

NOMURA The Nomura Securities Co., Ltd. Japan's leader in international securities and investment banking. Includes contact information for London, New York, and Tokyo offices.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo-Australian, BHP, and Broken Hill.

TINS

Table of tin stocks including companies like Anglo-Tin, BHP, and Broken Hill.

OVERSEAS TRADERS

Table of overseas traders including companies like Anglo-Indonesian, BHP, and Broken Hill.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

TEAS

Table of tea stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

SRI LANKA

Table of Sri Lanka stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

AFRICA

Table of Africa stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

MINES CENTRAL RAND

Table of Central Rand mining stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

EASTERN RAND

Table of Eastern Rand mining stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

FAR WEST RAND

Table of Far West Rand mining stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

FINANCE

Table of finance stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various stocks.

REGIONAL MARKETS

Table of regional market data for various countries.

INSURANCE

Table of insurance stocks including companies like British American Insurance, Commercial Union Assurance, and London Assurance.

PROPERTY

Table of property stocks including companies like British Land, Commercial Union Assurance, and London Assurance.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British American Investment Trust, Commercial Union Assurance, and London Assurance.

FINANCE, LAND

Table of finance and land stocks including companies like British American Investment Trust, Commercial Union Assurance, and London Assurance.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Indonesian, BHP, and Broken Hill.

OPTIONS

Table of option rates for various stocks.



Brentnall Beard directors suspended

BY JOHN MOORE
THREE directors of Brentnall Beard, the Lloyd's of London publicly quoted insurance broker, have been suspended from all executive duties in the group.

Spending record in rush to beat VAT

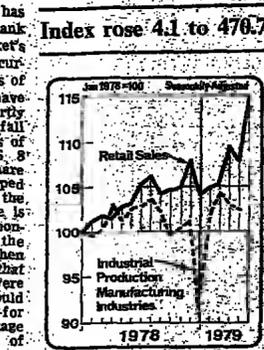
BY DAVID FREUD
SPENDING IN shops was at an all-time high last month as consumers rushed to beat the Budget increase in VAT, which took effect on June 18.

months of the year was 6 per cent above the level of the same period in 1978.
The John Lewis Partnership reported that department store business was around the level of 1978 in cash terms in the two weeks to July 7.

Goodyear loses record £21.4m

BY LISA WOOD
GOODYEAR'S UK subsidiary yesterday reported a record pre-tax loss of £21.4m in 1978.

A harsh winter for Rank



Once again Rank Xerox has come to the rescue of Rank Organisation. The market's fears about the impact of currency changes on the results of Rank Xerox appear to have been exaggerated.

Philips offers £35m for rest of Pye

BY MAX WILKINSON
PHILIPS of Holland yesterday announced a £34.7m offer for the 39 per cent shareholding in Pye which it does not already own.

Singh leads in race for new Indian Premier

BY K. K. Sharma in New Delhi
MR. CHARAN SINGH emerged yesterday as the strongest contender to succeed Mr. Morarji Desai as Prime Minister of India.

Britain drops EEC loan claim

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS
BRITAIN YESTERDAY gave up its claim, pressed strongly by the last Labour Government, that it should be entitled automatically to receive substantial subsidised loans from the EEC if it decided to become a full member of the European Monetary Union.

Community's proposals intolerable - Minister

BY PHILIP RAWSTORNE
THE GOVERNMENT will renew its pressure for a reduction in Britain's contribution to the EEC budget at a meeting in Brussels next Monday of Finance Ministers to discuss the Community budget.

Gandhi support

Mr. Charan Singh is also thought to have the support of Mrs. Indira Gandhi's Congress (I) which is the largest opposition party next to Mr. Charan Singh's Congress.

Carter

which may also draw on as much as \$500-worth of low denomination bonds it is planned to sell to the public.

Trade figures

Both sterling and the gilt-edged market seemed prepared to shrug off another disappointing set of trade figures.

Weather

UK TODAY
DRY and bright generally some cloud and rain in Scotland.
London, S.E., S.W., Central Midlands, S. Wales, Ch. Isles. Mainly dry, bright intervals. Max 23C (73F).

Table with columns for Worldwide weather forecasts including locations like London, New York, Tokyo, and various temperature and weather conditions.

Advertisement for 'Save the Children' featuring a photo of a child and text about helping Vietnamese boat people.